

THE GLOBAL NEWSPAPER
Edited in Paris
Printed Simultaneously
in Paris, London, Zurich
and Hong Kong

WEATHER DATA APPEAR ON PAGE 12

No. 30,953

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

LONDON, THURSDAY, AUGUST 26, 1982

Algeria	5,500 Dhs.	Israel	15,200	Norway	5,000 Nkr.
Austria	17.5	Iraq	10,000 Lrs.	Oman	2,000 Rials
Bahrain	6,600 Dhs.	Jordan	450 P.	Portugal	1,000 Esc.
Belgium	1,000 F.	Korea	500,000 W.	Qatar	1,000 Rials
Canada	1,500 F.	Kuwait	500 Dhs.	Rep. of Ireland	20 P.
Cambodia	400 Mks.	Liberia	500 Dhs.	Saudi Arabia	4,000 Rials
Denmark	9,000 Dkr.	Lebanon	500 Dhs.	Spain	80 Pts.
Egypt	90 P.	Liberia	1,000 Dhs.	Sweden	5,000 Kr.
Finland	5,000 F.	Lybia	200 Dhs.	Turkey	2,500 Lira
France	4,200 F.	Morocco	200 Dhs.	Turkey	5,000 Dhs.
Germany	35 F.	Morocco	500 Dhs.	Turkey	1,500 Lira
Great Britain	35 F.	Morocco	5,500 Dhs.	U.S.A.	50 D.
Greece	45 Drs.	Netherlands	2,250 F.	U.S.S.R.	50 R.
Iraq	125 Kals.	Nigeria	170 K.	Yugoslavia	20 D.

ESTABLISHED 1887



U.S. Marines were on duty Wednesday as part of the multinational peacekeeping force in Beirut as flag-waving PLO guerrillas passed through a checkpoint en route to an evacuation ship.

Tunisia Is Proud but Nervous

PLO Haven Hopes to Impart Moderation to Its Guests

By Bradley Graham
Washington Post Service

TUNIS — From a scrubbed white terrace at the beachfront Salwa Hotel, soon to be the working home of a group of Palestinian leaders led by Yasser Arafat, the hotel manager, Yousef Bourguiba, pointed to the bazaar off to one side, the two tennis courts, and the horses and camels available for riding.

Government officials here, however, expect Mr. Arafat to make Tunisia a central point in the PLO network after it is dispersed from Beirut, and they see a chance to help the Palestinian leader build a more moderate political platform, encouraging the shift from military political activity.

Proposal Revived
In presenting his proposal for recognition of Israel, Mr. Bourguiba now clearly figures that the general Arab attitude on the question has moderated. He made the same motion in a 1965 speech in Jericho, provoking the wrath of Egyptian President Gamal Abdel Nasser and causing a number of Arab states to sever ties with Tunisia.

A senior government official said privately that the plan is being floated now "to allow the PLO to have a new political basis from which it can talk." He said he did not expect the summit meeting to endorse the proposal.

The Tunisian suggestion goes further than the eight-point program put forward a year ago by Saudi Arabia. That initiative called for the establishment of an independent Palestinian state in Israel.

Warsaw Promises Tough Response To Pro-Solidarity Demonstrations

By David Storey

WARSAW — Interior Minister Czeslaw Kiszczak on Wednesday night described underground leaders planning demonstrations against martial law next week as terrorists and said the security forces would meet their challenge.

Gen. Kiszczak, in a tough television statement, said Western states were trying to stir up tension in Poland and said it was hard to believe any Poles would support this.

"Only extreme blindness or treason can explain a readiness to set fire to one's homeland," he said.

Gen. Kiszczak declared that underground leaders who called for demonstrations next Tuesday said they wanted a peaceful protest in favor of national agreement.

"But why, in that case, are iron bars, sticks, bottles filled with gasoline, metal clubs and other dangerous weapons being prepared?" the general asked. "The organizers are undoubtedly taking into account bloodshed."

Solidarity Anniversary

It was the first reference by a senior official to a preparation of weapons for the demonstrations, which are planned in all major cities.

He said domestic peace and security were supreme values for the Communist military authorities.

Gen. Kiszczak declared that underground leaders who called for demonstrations next Tuesday said they wanted a peaceful protest in favor of national agreement.

The U.S. administration, he charged, is behind activities that maintain unrest in Poland "in order that not only in Lebanon or El Salvador but also in the heart of Europe there should be bloodshed."

The U.S. administration, he charged, is behind activities that maintain unrest in Poland "in order that not only in Lebanon or El Salvador but also in the heart of Europe there should be bloodshed."

Gen. Kiszczak said those organizing the demonstrations "have nothing in common with a union but lots in common with what in the West is known as terrorism."

He said domestic peace and security were supreme values for the Communist military authorities.

Gen. Kiszczak declared that underground leaders who called for demonstrations next Tuesday said they wanted a peaceful protest in favor of national agreement.

"But why, in that case, are iron bars, sticks, bottles filled with gasoline, metal clubs and other dangerous weapons being prepared?" the general asked. "The organizers are undoubtedly taking into account bloodshed."

Solidarity Anniversary

It was the first reference by a senior official to a preparation of weapons for the demonstrations, which are planned in all major cities.

Gen. Kiszczak said those organizing the demonstrations "have nothing in common with a union but lots in common with what in the West is known as terrorism."

He said domestic peace and security were supreme values for the Communist military authorities.

Gen. Kiszczak declared that underground leaders who called for demonstrations next Tuesday said they wanted a peaceful protest in favor of national agreement.

"But why, in that case, are iron bars, sticks, bottles filled with gasoline, metal clubs and other dangerous weapons being prepared?" the general asked. "The organizers are undoubtedly taking into account bloodshed."

Solidarity Anniversary

It was the first reference by a senior official to a preparation of weapons for the demonstrations, which are planned in all major cities.

Begin Predicts Pact With Lebanon

Compiled by Our Staff From Dispatches

JERUSALEM — Prime Minister Menachem Begin told visiting U.S. congressmen Wednesday that he expected Israel to sign a peace treaty "in the near future" with Lebanon. But a Syrian military official warned Lebanon's president-elect, Bashir Gemayel, that such a treaty would lead to "a state of war."

The comments were made as a group of 500 PLO guerrillas left Beirut by sea for Syria under the supervision of U.S. Marines after the Palestinians said they feared being attacked along an overland route to Damascus.

Mr. Begin's prediction of a peace treaty was reported by Rep. James H. Scheuer, Democrat of New York, after the congressmen met with the prime minister for 45 minutes.

The Israeli newspaper *Ma'ariv* reported Tuesday that Mr. Gemayel, the leader of Lebanon's Phalangist Christian militia who is to take

office as president on Sept. 23, had indicated to an Israeli official recently that he planned to conclude a peace treaty in six to seven months.

A Syrian military official who refused to be named told The Associated Press in Damascus on Wednesday. "In case Gemayel signs a security or peace pact with Israel, Syria will consider himself in a state of war with him." He did not make it clear whether he meant Lebanon or Mr. Gemayel himself.

Rep. Scheuer also reported that Mr. Begin had said he wants the Camp David-mediated Palestinian autonomy talks with Egypt to resume immediately after the PLO evacuation of Beirut, expected to be completed within two weeks.

Egypt, however, has said it will not resume the negotiations until Israeli troops leave Lebanon.

In Beirut, the PLO evacuation to Syria by ship took place after Israel announced that the overland

evacuation of guerrillas to Syria, called for in the U.S.-mediated agreement for a peaceful evacuation of the Lebanese capital, had been canceled.

Heavy shelling was reported Tuesday along the highway connecting Beirut and Damascus, and Palestinian Liberation Organization spokesman in Beirut said the danger of attacks on guerrilla convoys by Israeli forces or Israeli-backed Christian militia prompted the PLO to ask that the overland stage of the evacuation be canceled.

A spokesman for the U.S. Embassy, which is closely involved in the evacuation arrangements, said the fighters had boarded the Cyprus ferry *Sol Georgios* and had set sail for Tartous in northern Syria.

Palestinian sources said that among those aboard was Hani al-Hassan, the PLO's chief negotiator in the two-month evacuation talks. It was the first reported departure of a leading PLO official since the evacuation began.

Another 500 Palestinian fighters set sail Wednesday for Sudan, but the last-minute departure of the guerrillas for Syria caused schedule changes for other guerrilla evacuees. The departure of 1,000 guerrillas bound for North Yemen was delayed until Thursday, when a large enough ship could be chartered.

The Syrian military announced in Damascus it would provide transports to begin an evacuation to Syria on Thursday of Syrian troops and Palestine Liberation Army guerrillas under Syrian command.

By Israeli and French count, nearly 2,700 PLO guerrillas left Beirut by ship for Jordan, Iraq, Tunisia and Southern Yemen in the first four days of the evacuation, which began Saturday. The total number to be evacuated is estimated at 11,500.

The 800 Marines making up the U.S. contingent of the multinational peacekeeping force poured ashore from amphibious vehicles onto a Beirut beach just after dawn Wednesday. Philip C. Habib, the special U.S. envoy, was there to greet them, wearing the Marine Corps emblem on his chest pocket.

The Marines took over control of the capital's port area from the 350 French troops who had been stationed there since Saturday.

The commander of the U.S. forces, Col. James Mead, 47, said sharply to the French commander, "I believe you."

"I am relieved," the French officer replied without a trace of irony in his voice.

The French, who will be joined Thursday by about 450 more paratroopers, then took up new stations on both sides of the Museum Crossing of the Green Line that separates mostly Moslem West Beirut from Christian-controlled East Beirut.

About 500 Italian troops are to join the French and U.S. soldiers.

6 Countries in EEC Subsidizing Steel, U.S. Inquiry Finds

By Thomas W. Lippman

Washington Post Service

WASHINGTON — The Commerce Department, sharply revising figures issued in June, reported Wednesday that six European Economic Community nations, led by Italy, are subsidizing steel products exported to the United States by as much as 26 percent.

After an investigation that occupied 70 staff members for eight months and cost an estimated \$5 million, the department found that the government-owned British Steel Corp. and two major French steelmakers are subsidized much less than previously estimated, but that exports of Isalier, the big Italian steelmaker, are receiving a subsidy of 26 percent rather than 18.3 percent.

The settlement, under which the Europeans would have agreed to limit some exports, "would provide the U.S. industry with greater stability than would be afforded by incessant litigation," he said. "To date, several U.S. producers have indicated a preference to see the cases to conclusion."

No Accord in View

The steel dispute has become a major irritant in U.S.-European relations, but sources in the government and the steel industry said no settlement is in sight.

Wednesday's report was essentially a refinement of the preliminary assessment issued in June. The big surprise concerned West Germany, where seven of the eight manufacturers were found to be receiving negligible subsidies of less than 1 percent, and the other a subsidy of only 1.13 percent.

The subsidy rate for British Steel was reduced from an estimated 40.36 percent to 20.33 percent. Steelmakers in Belgium and Luxembourg were found to be subsidized by as much as 21.8 percent.

No durable subsidy was found on steel from the Netherlands or South Africa.

INSIDE

■ The most popular politician in Wisconsin, William Proxmire, cultivates an image of parsimony and populism that appears to sit very well with voters. But his critics accuse him of demagoguery and hypocrisy.

■ Arthur Hummel Jr., the U.S. ambassador to China, has moved with equal ease in the adventurous world of guerrilla warfare and in the measured life of diplomacy.

■ Scientists at a nuclear facility near Geneva are ready to launch into a whole new world of physics in a project whose scope and complexity has much in common with space missions.

■ Bendix offers to buy all the common stock of Martin Marietta in a bid valued at more than \$1.5 billion.

■ Two Avenues

One administration official said the United States is likely to pursue both diplomatic and legal efforts in its attempt to force continued imposition of the sanctions. The official said the diplomatic effort will probably be made later in the week. Whatever the specific actions may be, Mr. Speakes' public statement reflected what another administration official said was Mr. Reagan's "clear determination" to stick to the sanctions he imposed last December and extended in June in retaliation for the repression in Poland.

■ The legal maneuvering is aimed at Dresser Industries of Dallas, which the United States is trying to prevent from loading three compressors aboard a freighter at the French port of Le Havre. It is considered likely that Dresser will be placed on a list of firms disqualified from receiving U.S. licenses to do business abroad.

Dresser sued this week to prevent the Commerce Department from acting against it if the compressors are loaded aboard the Soviet ship. Company spokesmen describe themselves as "caught between a rock and a hard place" because the French government has ordered the firm's subsidiary, Dresser-France, to fulfill the contract by loading the compressors.

Whatever happens in the Dresser case, an administration official emphasized that Mr. Reagan in

Dresser Industries is to buy International Harvester's construction equipment business. Page 7.

tends to keep the sanctions in force unless there is "real evidence in constructive action in Poland."

This official described the sanctions as a human rights issue. He said Mr. Reagan believes that the Russians are using "slave labor" to build the pipeline and that this ultimately will become apparent to U.S. allies in Europe despite their present insistence that contracts supplying material for the pipeline be fulfilled.

Furthermore, the official described the president as optimistic that his policy will eventually succeed despite the furor it has caused in Europe and the serious strain it has created in U.S.-European relations.

According to an evaluation recently given the president, Soviet inefficiency and a predicted decline in European natural gas demand are likely to delay construction of the pipeline even without the sanctions.

The Reagan administration strategy appears to be to keep up the pressure both on U.S. allies and on firms supplying the material in the hope of delaying the pipeline as long as possible if it cannot be blocked completely. Administration officials believe that a show of firmness in the Dresser case will discourage other firms, particularly the British company John Brown, from rushing in to supply pipeline material to the Russians. John Brown is building rotors for the pipeline.

According to one official, U.S. diplomats have quietly suggested to the French that the United States might delay delivery of unspecified high-technology items to France if Dresser is forced to deliver the compressors to the Russians.

■ Parts Shipment Delayed

Reuters reported from Paris that the loading of a ship carrying French-made parts for the Soviet pipeline had been delayed for the second day and that the French government was trying to play down the dispute with the United States over the delivery of the project.

At first he thought the staffer who had taken him there was lost "because I couldn't see any evidence. ... The alders covered completely the lower half of the pipe."

Some naturalists had predicted the project would force the caribou to abandon the area.

But Ray Cameron, a game biologist with the U.S. Fish and Wildlife Service here, said, "As far as we can tell, that sort of thing has not come to pass."

Oil spills on land have been more serious than those at sea, but still far less than critics predicted.

Shifting, melting ground near the Atigun Pass opened a crack in an underground section of the pipeline.

Mr. Kohl said the Alyeska company had steadily improved its ability to detect leaks through a series of computer-controlled moni-

toring.

French officials were at pains to play down differences with the United States over the project.

A presidential spokesman, Jacques Attali, said the weekly Cabinet meeting had

Lebanon Crisis Illustrates UN's 'Monumental Irrelevance'

By Bernard D. Nossiter
New York Times Service

UNITED NATIONS, N.Y. — Last Thursday, almost at the moment that the agreement on West Beirut was being accepted in Jerusalem, delegates to what was billed as an emergency session of the General Assembly here were voting to hold a \$5.7-million, 12-day conference in Paris next August to talk about the Palestinian question.

This episode illustrates what one Western diplomat called the "monumental irrelevance" of the United Nations in the crisis over Lebanon. There is a pervasive sense of frustration in corridors and offices here.

The Assembly's vote on holding the conference followed more than two months of ineffective efforts by the Security Council, the most powerful body in the world organization, to deal with the problem of Lebanon.

The UN Charter proclaims that the Council "shall determine the existence of any threat to the peace and shall decide what measures shall be taken."

Since June 5, on the eve of the Israeli invasion of Lebanon, the Council has formally and repeatedly recognized the threat to peace, but it has been thwarted.

ed every time it tried to do something about it. The 15 members have adopted no fewer than nine resolutions demanding, urging and calling for an end to the fighting, the withdrawal of Israeli troops, the lifting of the

NEWS ANALYSIS

blockade of Beirut and the deployment of UN officers between the forces of Israel and the Palestine Liberation Organization.

Most of these resolutions were adopted unanimously. For a brief instant on Aug. 1, when the Council agreed to station UN personnel to monitor the octagonal cease-fires that were arranged in Beirut, it appeared that the world organization might make a practical contribution to the peacemaking. But Israel, as many other nations have done, ignored the Council's commands.

At one point, Olara Otunnu of Uganda, one of the Council's most respected members, said in public what others say in private: that the Security Council's power "is now more limited than ever."

Many Third World and Soviet-bloc diplomats have a simple explanation for this situation: The United

States, Israel's shield, blocks the Council from imposing sanctions or punishment. Indeed, the Council all but gave up on Aug. 6, when the United States vetoed a Soviet resolution to embargo arms shipments for Israel.

Thoughtful diplomats in all camps, however, recognize that the events here reflect the essential fact of UN life, that sovereignty does not lie with the organization but with its 157 members. Each has a monopoly over the legitimate use of force against its own citizens or those of other nations. The United Nations can establish token peacekeeping forces, but only with the consent of sovereign combatants.

On April, Argentina ignored a Council command to remove its invading troops from the Falkland Islands. They were forced off by another sovereign, Britain. Iran and Iraq have paid no attention to Council requests to stop fighting and negotiate their differences.

Some issues affecting peace never reach the Council because its members know that a veto will block even the issuance of a text. So the Council does not concern itself with the Soviet intervention in Afghanistan or Vietnam's occupation of Cambodia because Moscow's veto will block any resolution.

The lightly armed UN peacekeeping troops with their blue helmets are not a military force but a symbolic presence. Israeli armor easily rolled through the 7,000 UN troops in southern Lebanon on June 6.

Lost Opportunity

French and Egyptian diplomats here believe that in the deliberations over Lebanon a great political opportunity has been lost, or at least postponed. Paris and Cairo have been suggesting resolutions designed to nudge the United States toward a recognition of the right of Palestinian Arabs to "self-determination," a hint of an eventual Palestinian state.

But the French-Egyptian plan has not yet been brought to the Security Council for fear of a U.S. veto. Egypt's attempt to take it to the General Assembly was frustrated by PLO insistence on far more sweeping language that would raise a question of Israel's right to exist.

All this has left one Western diplomat comparing the United Nations and its orders to Shakespeare's Owen Glendower, who boasted that he could "call spirits from the vasty deep."

Hospur, who understood the limits of sovereignty, replied, "Why, so can I. But will they come?"

Pilot Denies Israel Intended To Bomb Civilians in Beirut

By James Feron
New York Times Service

JERUSALEM — An Israeli pilot who took part in the bombing of Beirut says that every precaution was taken to avoid civilian casualties.

The pilot, a 34-year-old major who wished to remain anonymous, said Tuesday that charges of "indiscriminate bombing" prompted him to seek out, through a mutual friend, a foreign reporter so that he could present his views on the bombing of the Lebanese capital.

"You see them as civilian targets, I see them as military targets," he said. "And it's not fair to ask only about their civilians."

U.S. Planning War Exercise Around Oman

By George C. Wilson
Washington Post Service

WASHINGTON — The United States is planning an elaborate air, land and sea military exercise in and around the strategic Gulf country of Oman this fall to reassure oil-producing Gulf countries that U.S. forces could hurry to their assistance in an emergency, administration officials said.

The exercise also would serve notice to Iran that it would risk a sharp U.S. response if it threatened moderate Arab nations who are friendly to America with military force or subversion, diplomatic sources said.

A Pentagon official said the Reagan administration, mapping its policy for the Gulf area after the Palestine Liberation Organization withdrawal from Lebanon, is especially concerned about reassuring Saudi Arabia.

The British-educated sultan of Oman, Qaboos bin Said, has insisted on a low-profile U.S. military presence in his country in the past, diplomatic sources said, but he now seems willing to allow practice landings by U.S. Marines on his shore.

If all goes well with the delicate negotiations under way, officials said Tuesday, the high-profile military exercise would take place in October. There are also indications that the United States will help the sultan modernize his army, navy and air force.

Oman has particular strategic importance to the United States and other oil-importing nations because it is located on the Strait of Hormuz, the Gulf gateway through which oil tankers must pass to reach the open waters of the Arabian Sea.

As a result of the Reagan administration's review of its Gulf policy, the Peacetime has put top priority on finding ways to protect such friendly Arab governments from being toppled by radicals. Direct military assaults against Gulf oilfields are regarded only as a secondary threat.

Most of our soldiers are civilians," or reservists, which he said he was.

"I feel everyone, including some in Israel, are blaming us about being cruel or inhuman, but how about the quality of the PLO and their inhumanity?" he asked, referring to the Palestine Liberation Organization. "I'd prefer they sat in the Bekaa Valley and that we concentrated them there but they concentrated in Beirut."

Watched on TV

On the evenings at his home in Tel Aviv, after returning from his missions, he said, "we would watch the bombing on television with our two children and we would have feelings about it." But the feelings were mixed, he said.

"I'm not happy to see any civilian injuries, and we always thought about the alternative," he said. "If it was the other way around, thousands of Israelis would be killed, and the reaction would be stronger."

Asked whether there was any question that civilians, women and children, had died in the air raids along with the guerrillas who had been the Israeli targets, his reply was indirect:

'Controlled Situation'

He said he landed twice with his full load of 250-pound and 500-pound bombs "because the target had been moved."

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

Aerial Photograph

The planes dove at speeds of about 400 mph, he said, and the targets had to be found "by eye. We had to see it." Bombs were released one at a time and the pilots hit their intended targets, he insisted.

The major showed an aerial photograph. "This building here is the Japanese Embassy and this one

is the Chilean Embassy," he said, indicating a site just off a highway along the Lebanese coast. "And this" — be indicated an object between the two buildings — "is a 133mm gun, which as you know fires 25 to 27 kilometers," or 16 miles.

He said the artillery piece was about 200 feet (60 meters) from either building and that the Israeli F-4 Phantom, a U.S.-made aircraft he had also flown in the war in 1973, was accurate within 60 feet. That was a relatively easy target, he said, but "others were located where it made it more difficult."

Asked whether there was any question that civilians, women and children, had died in the air raids along with the guerrillas who had been the Israeli targets, his reply was indirect:

"I have a personal problem. No one likes to bomb civilians, and we aimed at no civilian targets. We went where the PLO took their guns, and they sat behind the civilians' backs."

He said he landed twice with his full load of 250-pound and 500-pound bombs "because the target had been moved."

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

"There were mistakes, maybe one or two, but that's all, and the commander would talk to the pilots," he said.

The targets, he said, had been selected precisely, through aerial photography or intelligence, or both. Afterward, the results of the bombings were assessed.

News on Economy Appears To Revive Reagan Optimism

By Lou Cannon

Washington Post Service

LOS ANGELES.—In his televised address to the nation Aug. 16, President Reagan said a "sound and lasting economic recovery" could only be achieved slowly without any "sudden boom or bust."

Now, buoyed by a week of cheery economic news and the familiar surroundings of California, Mr. Reagan's natural optimism appears to be reasserting itself. While no one is saying so directly, it is clear that Mr. Reagan and his principal spokesman now believe the long-predicted recovery is at hand and will last until Election Day and beyond.

Last week, after passage of the administration's \$88.3-billion tax bill, the White House chief of staff, James A. Baker '33, predicted a long-term drop in interest rates.

On Tuesday, the White House deputy press secretary, Larry M. Speakes, termed the interest rate decline "remarkable," and said it would lead to a reduction in home mortgage rates and a continued reduction of the rate of inflation.

Citing the consumer price index figures released Tuesday, Mr. Speakes said: "We're hopeful and somewhat optimistic that the CPI will remain in single digits for the next several months."

Bullish in Private

According to some who have discussed the economy recently with Mr. Reagan, the president is even more bullish in private than his spokesman are in public.

After saying his administration's New Federalism proposals would return government to the levels "closest to the people," Mr. Reagan added, "Now, who would you like to have in California help-

ing administer that switch back to that kind of federalism? Someone who's first great battle of history-making proportions was against the Meddy or someone who has served in the state legislature for years, someone who has served as mayor of one of our major cities for years ... and knows what the federal government should do?"

Informed administration sources said the president had discarded a draft speech that extolled the San Diego mayor, who last week opposed Mr. Reagan's tax bill while Gov. Brown supported it.

Hypocrisy Alert

Mr. Wilson's opposition reportedlyirked the president, who remembers that in 1976 Mr. Wilson campaigned for President Gerald R. Ford against Mr. Reagan in the crucial New Hampshire primary.

"He didn't want to be hypocritical and praise FDR to the skies, so he threw the draft away and just winged it," an official said.

Whatever the speech may have lacked, Mr. Reagan succeeded in his attempt to avoid hypocrisy. His appeal for Mr. Wilson was based on the two reasons the White House supports the San Diego mayor: a desire to keep the Senate in Republican hands and personal distaste for Mr. Brown, who succeeded Mr. Reagan as governor in 1975.

In addition to his reservations about Mr. Wilson, the speech suffered from Mr. Reagan's unconcealed desire to spend as much of his time as possible at his mountain ranch northwest of Santa Barbara.

The president was scheduled to return to the ranch Wednesday and remain there, without politicking, until Sept. 7.

He didn't want to be hypocritical and praise FDR to the skies, so he threw the draft away and just winged it," an official said.

While Mr. Reagan is clearly in a good mood these days, his speech was a disappointment to some key backers of Mr. Wilson, who faces a difficult Senate race against Gov. Edmund G. Brown Jr.

The president rarely mentioned Mr. Wilson, and at one point seemed to have forgotten that he is running for the Senate instead of for governor.

After saying his administration's New Federalism proposals would return government to the levels "closest to the people," Mr. Reagan added, "Now, who would you like to have in California help-



ASTRONAUT IN TRAINING — Sally Ride, who is scheduled to become the first American woman in space when the seventh mission of the U.S. space shuttle takes place next April, practices techniques of fighting fires at the Kennedy Space Center in Florida.

U.S. General Asserts Military Aid For Guatemala Should Be Priority

By Alan Riding

New York Times Service

PANAMA CITY.—The commander of U.S. military forces in Latin America believes it is imperative for the United States to resume military assistance to Guatemala to help combat a threat from leftist guerrillas.

Lt. Gen. Wallace H. Nutting, who is head of the 10,000-man U.S. Southern Command based in Panama, said in a recent interview that the United States should play "essentially the same role" in Guatemala as it is playing in El Salvador,

where equipment and training are being provided for the local armed forces.

He also argued that the situation in Guatemala was potentially more serious than that in El Salvador.

"The population is larger, the economy is stronger, the geographical position is more critically located in a strategic sense," he said. "The implications in a Marxist takeover in Guatemala are a lot more serious than in El Salvador."

Guatemala renounced U.S. military aid in 1977 to protest a critical human rights report prepared by

the Carter administration. Subsequent Guatemalan requests for a resumption of military assistance were then blocked by members of Congress concerned about continuing rights violations.

Since a coup brought Gen. José Efraín Ríos Montt to power in March, however, the Reagan administration has been urging key congressmen to lift their objections to helping the Guatemalan Army.

The efforts have been largely unsuccessful, and congressional aides who visited Guatemala recently concluded that the rural population remained largely repressed because of the regime's counterinsurgency campaign.

Referring indirectly to concerns about human rights violations in Guatemala, Gen. Nutting said that "there must be an acceptable political situation" before U.S. military aid can resume. But he added: "I think that it's unfortunate up to this point that those responsible for making that judgment have felt that kind of political situation did not exist."

The general, who has traveled extensively in Latin America, insisted that El Salvador was part of a broader regional problem of which Guatemala is "a more serious part that we have not yet faced."

"I believe that no single government in Central America is capable of sustaining itself against the present assault," he said. "They've got to have outside support because outside support is being funneled to the opposition, and they cannot cope with the problem alone. It's not a problem for each individual country in face."

In a wide-ranging conversation, Gen. Nutting repeatedly returned to the theme that events in Central America should be seen in the context of the projection of the Soviet Union's global power. He also raised the prospect that without U.S. military help, the military strength of Cuba and Nicaragua could result in the "Finlandization" of the isthmus.

Gen. Nutting stressed that U.S. military aid was only part of a solution that included political, economic, social and psychological components.

New U.S. Rules On PCB Use Are Criticized

By Philip Shabecoff

New York Times Service

WASHINGTON — The Environmental Protection Agency has announced final regulations for the use of polychlorinated biphenyls, or PCBs, that would permit continued use of the hazardous chemical in some electrical equipment.

Agency officials said Tuesday the rules were aimed at removing the greatest risks from the continued existence of PCBs in electrical equipment, particularly in the vicinity of food and animal feed supplies.

But environmentalists charged that the rules failed to provide the control of PCBs required by the Toxic Substances Control Act to remove their threat to public health.

Used primarily to cool and insulate electrical equipment such as transformers, capacitors and electromagnets, PCBs have been found to cause cancer in laboratory animals.

Recent evidence suggests they may also cause reproductive and neurological problems.

Millions of gallons of the chemical are still in use and large quantities have been found in surface water in the United States.

The new regulations prohibit the use of PCBs in transformers or electromagnets that pose a risk of exposing foods or feeds to the chemical after Oct. 1, 1985.

The use of all other transformers and electromagnets containing PCBs is authorized for their "remaining useful life."

For transformers near food supplies, weekly inspections for leaks are required until they are phased out.

The use of large capacitors containing PCBs that are located in electrical substations or other "restricted access areas" is permitted for the rest of their useful life.

Ellen K. Silbergeld, chief toxic scientist for the Environmental Defense Fund, said, "Clearly the rules were drawn up to meet the wishes of the electrical industry and at the expense of public

Students Feel Impact Of U.S. Aid Cutbacks

By Nicholas D. Kristof

Washington Post Service

WASHINGTON — Duncan Fraser had a dream — to attend Princeton University this fall. With near-perfect college board scores, National Merit and Presidential scholarships, the dream seemed tantalizingly close.

But last spring, Duncan, then a high school senior from Decatur, Ga., was informed that he was ineligible for U.S. aid. It appeared that his parents would have to mortgage their home to afford the \$13,000 cost of sending him to Princeton for one year.

"My parents have worked very hard, and I don't think I can ask them to live in poverty so I can live my expensive dream," he said.

So Duncan will enroll this fall at North Carolina's Davidson College. It gave him a full scholarship.

Cuts Take Effect

College administrators say Duncan's story is being repeated around the country. The administration's cuts in student aid are only beginning to take effect, but administrators warn that they already have had a stinging psychological impact.

Many college officials are also concerned by signs that poor or minority students are counting themselves out.

At Harvard, the number of black applicants, the number of applicants from public schools and the number of applicants who requested financial aid all dropped slightly this year, according to William R. Fitzsimmons, director of admissions.

Also troubling Harvard officials is a drop in the number who decided to come after being admitted. This drop was especially pronounced among black students, and 41 percent of the admitted blacks who went elsewhere said financials were a primary reason.

The annual cost of attending Harvard is more than \$13,000. However, 40 percent of the class receives scholarships worth an average of \$3,600, plus loans and jobs worth an average of \$3,000.

Big Star

Administrators admit that they are responsible for part of the problem by raising a big star over the Reagan administration's proposed cutbacks in student aid. Many students, unaware that Congress had rejected some of the cuts, assumed they would never qualify for aid.

"We intended to generate as much publicity as possible," said Michael Hooker, president of Bennington College, in Vermont. "But we were too successful. There was an unwarranted hysteria among parents and students. That's not to say the fears won't be real this time next year."

While some private colleges may be threatened, those, such as Bennington, that cater to students from wealthy families do not seem in trouble.

Bennington is the most expensive college in the country, costing \$15,000 a year.

more than \$14,000, yet Mr. Hooker said the number of applications rose this year.

The recent cuts in student aid include the following:

• The annual maximum for Pell grants, the basic U.S. scholarships awarded on the basis of need, will be cut from \$1,800 to \$1,674 unless more money is added to the program.

• Funding for supplemental grants was cut 26 percent from last year's level.

• College work-study, national direct student loans and state student incentive grants were all cut about 4 percent.

• Students entering college this fall no longer will be eligible for Social Security education benefits, which now constitute one-fifth of student aid.

• Guaranteed student loans, which formerly were available to all students regardless of need, now are limited to families with incomes of less than \$30,000 or those with higher incomes who can demonstrate need.

Many students have not realized that they may be eligible for loans even though their family income is more than \$30,000, administrators said. The number of loan applications is down 30 percent from last year, according to Education Department figures, although there may be a surge in August and September.

College fees are rising about 15 percent a year, according to the National Association of Student Financial Aid Administrators. Many officials are worried that the administration will press for deeper cuts in student aid next year.

Ironically, community colleges are now booming. Rosemary Wahlers of the American Association of Community and Junior Colleges said that enrollment at community and junior colleges is expected to rise 4 percent. Such institutions are popular because they are cheap and focus on job training, while permitting students to hold jobs while attending college part-time.

The end of the baby boom generation now is trickling through universities and the number of college-aged people will decline by 20 percent over the next 15 years. To avoid losing too much ground, colleges will have to compete more vigorously with one another.

Some states are moving to help financially strapped universities. Colorado has begun a matching fund, offering to match contributions to colleges dollar-for-dollar up to a limit.

Seven states have passed legislation allowing colleges to issue tax-exempt bonds to raise money for student aid.

Boy Dies in Chile Bombing

United Press International

SANTIAGO — Five bombs exploded Tuesday in Santiago, one of them killing a 12-year-old boy and injuring three other children, one seriously, authorities said.

New Economy Minister Is Named in Argentina

Reuters

BUENOS AIRES — Jorge Weibe, a law professor, has been named as Argentina's economy minister following the resignation of his predecessor, José María Dagnino Pastore, and the central bank president, Domingo Cavallo.

Mr. Weibe, 62, was to be sworn in Wednesday. It will be the third time he has held the post since the 1960s.

Mr. Dagnino Pastore and Mr. Cavallo, who resigned Tuesday, were architects of the economic policy of the two-month-old military government of President Raúl Alfonsín, which has pledged to return Argentina to democracy by March 1984.

Following Argentina's defeat in the Falklands conflict, the two men launched a program to inflate the economy while coping with \$15 billion in service payments due in the second half of the year on the country's \$36.6-billion foreign debt.

Climate of Opinion

Mr. Weibe, who was appointed Tuesday night by Gen. Bignone, is a specialist in financial law. After his appointment he told the independent Argentine news agency Noticias Argentinas that Argentina's most worrying problem was the climate of opinion in the country.

He called for calm and moderation to ensure a smooth transition to democracy.

The country's trade unions have shown increasing impatience with government action to restore the value of wages, eroded by a 137 percent rise in the cost of living during the last 12 months.

Union leaders reacted coolly Tuesday night to a government announcement of a general pay increase of 1 million pesos (about \$26) on all monthly salaries, to be spread out over August and September; this would be followed by further monthly pay rises indexed to the cost of living.

Conflicting Interests

In his letter of resignation, Mr. Dagnino Pastore said he had been unable to reconcile conflicting interests in the Argentine economy.

Mr. Cavallo said in his own letter of resignation that he was stepping down in disagreement with decisions by Gen. Bignone affecting the government's income policy and its drive to re-activate the economy.

Political and banking sources said Mr. Dagnino Pastore and Mr. Cavallo had different approaches to tackling Argentina's economic problems: Mr. Dagnino Pastore

daunting external debts and achieve an export-led economic recovery, while Mr. Cavallo favored reflating the domestic economy as well.

Economic analysts said they expected the resignations to deepen the country's financial difficulties. They said the change in economic leadership was the most severe test to face the Bignone government since it came to power July 1.

Before that, he lectured in financial law at Buenos Aires University, was Argentina's secretary for finance from 1961 to 1962, and headed the National Mortgage Bank during the following two years.

CONCORD DELIRIUM MARINER

CONCORD DELIRIUM MARINER

The thinnest water-resistant quartz watch in the world.

Concord Watch Corporation, 1000 Franklin Street, Concord, California 94520, U.S.A.

Book Says Chief Justice Advised Truman on Steel Crisis

By Jim Mann

Los Angeles Times Service

WASHINGTON — When President Harry S. Truman tried to seize the nation's steel mills to avert a strike in 1952, his action touched off a domestic crisis and resulted in an important Supreme Court decision spelling out the constitutional limits on presidential power.

In a stinging rebuke to the president, the court ruled 6-3 that Truman had no authority to take control of the mills because there was no law specifically authorizing him to do so.

Now, a new history of the Truman administration says Truman acted only after getting some private legal advice and encouragement from a member of the Supreme Court, Chief Justice Fred M. Vinson.

21 Killed in Philippines as Rebels, Militia Fight

Reuters

ZAMBOANGA, Philippines — Twenty-one persons were killed Tuesday when Moslem rebels clashed with soldiers

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

The Pipeline Fiasco

From THE WASHINGTON POST

President Reagan's crusade against the Soviet gas pipeline is working out badly for American national interests. It was supposed to be a test of wills between East and West. Instead, it is turning out to be a test of wills between the United States and its European allies. Far from punishing the Russians for imposing martial law in Poland, it is giving them the only foreign political advantage that they have been able to extract from the whole Polish affair.

France ordered that three gas compressors, built in France by the French subsidiary of Dresser Industries, be sent to the Soviet Union. The Reagan administration has threatened penalties against Dresser if the delivery is made. The French government has threatened criminal prosecution of the subsidiary, Dresser France, if it is not made. A French victory on this one is assured, since the equipment is in their country. The United States has let this affair degenerate into a highly public effort to impose its foreign policy on France. The French are not likely to lose this one, either.

Mr. Reagan wanted to express American outrage at the suppression of Solidarity last December and to try to force the Soviet Union to relax it. He was not wrong about that. In addition to all of his earlier arguments against the pipeline, and for the embargo, there are now reports that the Soviets are using slave labor from the prison camps to accelerate construction. No one can claim to be surprised if those reports turn out to be true.

Newspeak in Japan

From THE NEW YORK TIMES

West Germany learned only a few years after Hitler's defeat and without reניתting the militaristic nationalism of its neighbors. The returns from Japan's neighbors are not yet in, as can be seen in the controversy over the rewriting of history textbooks by Tokyo's Education Ministry to soften accounts of Japanese wartime brutalities.

Japan is finally starting a military buildup, long urged by Washington. 37 years after World War II, it is supported by a new domestic consensus that stems from the Soviet invasion of Afghanistan, the threat to Japan's oil supplies and Washington's insistence that Tokyo defend its sea lanes out to a distance of 1,000 miles. The buildup was accepted initially by Peking, as a way of containing the Soviet Union. But the history controversy has revived such concern there and elsewhere about Japanese militarism that Prime Minister Suzuki is being forced into a reversal by his education minister.

The controversy heated up after the press disclosed a Japanese Education Ministry memorandum that sought to justify the revisions. It said the number of Chinese civilians slaughtered during the "Rape of Nanking" had been deleted because historical accounts ranged from 10,000 to hundreds of thousands. References to Japanese "aggression" were deleted and Japan's invasion of China was termed an "advance," it said, to achieve consistency with euphemisms for European incursions in the 19th century.

South Korean street demonstrations called for breaking relations with Tokyo and banning Japanese imports unless the books were

Other Editorial Opinion

Swaziland's Future

Relations with South Africa will continue to be the thorniest issue facing Swaziland [after the death of King Sobhuza II]. By supporting the Southern African Development Conference (SADC), which seeks to lessen the dependence of the regional economy on South Africa, Swaziland, Botswana and Lesotho have clearly signified that they would prefer not to become part of a South African satellite system or "constellation of states." Outside support for these countries will therefore continue to be vital to them if they are to preserve their political independence.

There are close historical ties between [Britain] and Swaziland. As the new monarch faces painful geopolitical dilemmas, he will also tend to ponder how, internally, the political system can open up for those Swazis who were becoming impatient with the late monarch's benevolent autocracy. The next king should have [Britain's] sympathy and support.

Lebanon's Election

A while ago it [Israel] would have expected to be well pleased by the election of Bashir Gemayel as president, but [he] has now said

AUG. 26: FROM OUR PAGES 75 AND 50 YEARS AGO

1907: Steamship Crusade

NEW YORK — Beginning in September, the privilege now given to first-class passengers to return on steamships other than those of the line on which they purchase tickets will cease. This is the newest move in the crusade of the German and French lines against the Cunard Company, which will be the objective of the whole fight. It is stated that a reduction in rates by Cunard steamships to Paris is the cause of the trouble. Efforts will be directed to cutting off the business of the Cunard Company to the Continent. For this reason, the French line is in the fray. No attack is expected to be made on the International Mercantile Marine lines, which contemplate no reduction.

1932: Earhart Crosses U.S.

NEW YORK — Amelia Earhart Putnam, only woman to fly the Atlantic and only flier to conquer it twice, was fresh laurels by becoming the first woman to span the United States from coast to coast in a nonstop flight. She set her plane down at Newark airport 19 hours and 9 minutes after she had taken off at Los Angeles, about 2,600 miles away. She was only 79 minutes behind the transcontinental record of 17 hours 40 minutes established by Frank Hawks, but she denied that she had sought to lower the mark, declaring she was content to make the flight without stop. Miss Earhart used the same plane in which she crossed the Atlantic from Newfoundland to Ireland a few months ago.

JOHN HAY WHITNEY 1904-1982, Chairman

KATHARINE GRAHAM and ARTHUR OCHS SULZBERGER, Co-Chairmen

LEE W. HUEBNER, Publisher

Executive Editor

Editor

Deputy Executive

Managing Editor

Associate Editor

International Herald Tribune, 181 Avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France

Telephone 747-1265. Telex 812718 (Herald). Cable Herald Paris.

Director de la publication: Walter N. Thayer.

General Manager: Alain Leguer, 24-34 Hennessy Rd, Hong Kong. Tel. 3-28 56 18. Telex 61170.

S.A. au capital de 1,200,000 F. R.C.S. Nantes B 73202126. Commission Paritaire No. 3423.

U.S. subscription: \$256 yearly. Second-class postage paid at Long Island City, N.Y. 11101.

© 1982, International Herald Tribune. All rights reserved.

Why the World Oil Glut Might Be Here to Stay

By Hobart Rowen

WASHINGTON — If there ever was any doubt about the impact of the oil glut on the economies of the OPEC countries, it has been dissipated by the annual report of the International Monetary Fund: In the two-year period, 1980-82, which marks the second oil-price "shock," OPEC's financial surplus plunged from \$116 billion to an estimated \$25 billion this year.

The underlying lesson is that the Western industrialized nations' dependence on Middle East oil has fallen sharply. For example, in the first quarter of 1982, U.S. oil imports from the Middle East were only 1.1 million barrels a day, or 6.5 percent of U.S. consumption, compared to the 1977 peak of 3.7 million barrels, or 20.2 percent of consumption.

But the perception of this fact tends to lag behind reality in some U.S. government offices. At the CIA, they still believe the script as written two years ago — that American dependence on Middle East oil will rise until the end of this century.

But no one could have failed to notice that during the long crisis in Lebanon, not only did Arab nations not rush to the aid of the Palestinians, but no oil-exporting nation threatened an oil embargo as a counter to the Israeli effort to wipe out the PLO.

"The Saudis have shot their bolt," said

Prof. Eliyahu Kanovsky in an interview here. Kanovsky, a visiting professor at Queens College, New York, and a professor of economics at Bar Ilan University in Ramat Gan, Israel, is one of a small band of oil analysts who two years ago saw the oil glut on the horizon.

Along with C. Fred Singer of the University of Virginia's Energy Policies Studies Center, Kanovsky foresees that a revolution in both supply and demand for oil was taking place that would create a huge oil surplus, dramatically reducing the world price for oil and shake the economic foundations of OPEC.

If supposedly smart bankers had taken these warnings seriously, they might not have poured money down the drain in thousands of projects in Canada or in Penn Square National Bank energy "participations" in the American Southwest. But they all counted on the price of oil going straight up, with OPEC in the driver's seat.

Even now, some thoughtful analysts raise doubt about the permanence of the glut. Americans for Energy Independence, for example, this week warned against complacency: Economic recovery, this group said, could increase demand for oil and thus recreate a dependency on OPEC.

But Kanovsky, in a soon-to-be-published paper, argues convincingly that the glut is here to stay, regardless of economic recovery, because "large-scale investments in energy efficiency as well as in energy-switching have a long-term impact."

Thus, even with a return to a 3 to 4 percent global annual economic growth rate for the remainder of this decade (which no authority source expects), Kanovsky says that "oil consumption is not likely to rise" at all. The historically overoptimistic Exxon Corp. has now lowered its forecast for growth in consumption to less than 1 percent annually until the end of the century.

Increases in non-OPEC oil production, in the free world could easily take care of such a consumption increase. Kanovsky points out that the rise in non-OPEC output from 3 million barrels per day in 1976 to a spectacular 21 million barrels a day in 1981 was the response, mostly, to the first oil shock of 1973. Extensive drilling and exploration activities in the 1979 oil shock have yet to pay off full dividends.

Now come back to the depressing economic statistics for OPEC cited by the IMF: Most of the cartel countries, including Saudi Arabia

and Kuwait, had planned huge domestic budget increases on the assumption of an ever-increasing stream of oil money. It is hard, now, to adjust to more austere times.

"The conspicuous consumption of the thousands of Saudi princes and of others who have amassed fortunes has raised expectations amongst the millions of others," says Kanovsky. "The Saudis are on a collision course between rising expenditures and falling revenues, and their ability to control these trends is very limited."

How about the Iran-Iraq war? Once it is over, Kanovsky argues, Iran, Iraq and fellow OPEC members will have no choice but to boost their oil output to help pay for the war and to rebuild the Iran and Iraq economies.

To sum up, Kanovsky sees OPEC fighting for a share of the market. The cartel will be dependent on the consuming nations, rather than the other way around. That means downward pressure on oil prices, with no ability to cut production so as to sustain prices.

Such a "gradual deflation" of Middle East oil will require further and perhaps painful domestic adjustments inside OPEC. It also will force the Western consuming powers to re-evaluate the political and strategic importance of the Gulf producers.

The Washington Post.

A Jordanian Call for American Recognition of the PLO

By Hassan Bin Talal

AMMAN — Nine weeks after the eruption of the Israeli military action in Lebanon, the United States, after exerting long-awaited pressure upon Israel, has brought about a halt to the fighting and contained the immediate violence. Yet there is nothing more temporary than the temporary.

The time has now come for the American public to realize that the unquestioning support given by successive U.S. administrations to Israel in financial and military assistance helps, by definition, to promote the past and present outrageous actions of the Begin-Sharon government, as well as the fait accompli of Israel's expansionism. As we all know, this has led to the horrifying human suffering inflicted upon Lebanon and to the continuing violent repression of the Palestinian Arabs in the Arab-occupied territories of the West Bank, Gaza Strip, and the Jordan Heights.

The time has also come for the American public to realize that no amount of financial and military support for Israel will enable Israel to wipe out the aspirations of the Palestinians, or to destroy the PLO as a political force. A durable and comprehensive resolution of the Palestine question has remained the crux of the

also a foregone conclusion that total security for Israel implies total insecurity for its neighbors. In other words, the right of all states to live in peace and within secure boundaries cannot be enjoyed exclusively by Israel (the world's fourth-largest military power, as well as the region's only nuclear force), but should apply equally to the Palestinian and Arab people, whose desire to live in peace and dignity has yet to be respected by the United States. Surely the human problems of the region, whether in Lebanon or the West Bank and Gaza Strip, cannot be resolved by the United States without its demonstrating recognition of the fact that they exist.

The past nine weeks of Israel's war in Lebanon have diverted international attention from developments in the occupied territories.

The Israelis have opened prisons to those opposed to Village League leadership imposed by the occupation authorities; elected mayors and cooperative leaders have been imprisoned or expelled, and patronage of day-to-day life has been channeled through the Israelis into the hands of their home-grown Palestini-

ans.

The time has come for the aspirations of the dispossessed Palestinian people for full and free self-determination, not anywhere but on the Palestinian soil of their forefathers, to become a reality.

If Israel continues to ignore the fact that politics in the region can only be exercised when people, and not only resources, matter, then the words of an Israeli university professor will still ring true: "Deep in our hearts we know we only bought time."

Taiwan Policy: A Move To Assure Asian Peace

By Stanley Karmow

WASHINGTON — President Reagan's latest agreement with China is a masterpiece of ambiguity. But since diplomacy is the art of the possible, it is a workable accommodation that favors the purposes of all the parties involved.

So critics of the compromise ought to refrain from denouncing it — unless they can propose a more plausible alternative. Plainly, though, they have nothing better to offer.

The big complaint of Sen. Barry Goldwater and other conservatives is that Reagan has capitulated to the Chinese by conceding to their demand that he restrict future arms sales to Taiwan.

But that gripe overlooks the central issue, which is that a sound relationship between the United States and China is a key to stability in Asia and elsewhere. And without it, American, Chinese and Taiwanese interests would be jeopardized.

Richard Nixon recognized that reality when he staged his spectacular trip to China a decade ago, calling his journey "the week that changed the world."

As Nixon perceived, solid Sino-American ties are important as a counterweight to the Soviet Union. In addition, they serve to placate the Chinese by conceding to their demand that he restrict future arms sales to Taiwan.

The Chinese are confronted by a massive Russian force on their northern frontier and by a Soviet-supported Vietnamese Army along their southern borders. They can barely afford to keep their economy on an even keel.

But the vagueness of the agreement further leaves open the possibility that the United States can step up its military assistance to Taiwan in the event of a threat by China. But such a threat is unlikely.

The Chinese are confronted by a massive Russian force on their northern frontier and by a Soviet-supported Vietnamese Army along their southern borders. They can barely afford to keep their economy on an even keel.

For one thing, the new Sino-American accord does not stop the delivery of U.S. hardware to Taiwan. A Northrop plant on the island will continue to assemble F-5E jet fighters equipped with American-made engines, and the aircraft are adequate to protect Taiwan against invasion.

The vagueness of the agreement further leaves open the possibility that the United States can step up its military assistance to Taiwan in the event of a threat by China. But such a threat is unlikely.

The Chinese are confronted by a massive Russian force on their northern frontier and by a Soviet-supported Vietnamese Army along their southern borders. They can barely afford to keep their economy on an even keel.

So it is ludicrous to expect that they could mobilize the resources to mount an amphibious attack across the 100-mile-wide Taiwan Strait. However, they do have another option for squeezing the island.

Taiwan is one of the great economic success stories of the past generation. Once a sleepy agricultural community, it has leapt forward into sophisticated technology, and its prosperity seems to be boundless.

But its affluence depends on exports. And it is conceivable that, in a crunch, China might exert pressure on the West to cease trading with Taiwan. Such a tactic could dent the island's security hinges not on its military establishment, but on its economic equilibrium — and that is not going to be guaranteed by advanced jet fighters.

On the contrary, the safety of the island resides in peace in Asia, and the Chinese-American agreement, with all its imperfections, is a step in that direction.

Tribune and Register Syndicate.

LETTERS TO THE EDITOR

On Transylvania

Regarding "Hungary at the Table" (IHT, Aug. 20): I truly enjoyed Mr. Apple's very vivid, factual and "mouthwatering" article about Hungarian cooking. I also agree wholeheartedly with Mr. Apple when he states that "... Transylvania is the most Hungarian part of Hungary, and stuffed cabbage seems to me the most Hungarian and succulent of Hungarian dishes.... There is only one very sad fact behind this seemingly very tasty and logical statement, namely, Transylvania with its over 2 million Hungarian population and

former capital of Kolozsvár is not "part of Hungary" anymore but was very unjustly and illogically annexed to Romania after the Second World War.

ADAM N. FEKETE,
Hünenberg, Switzerland

Egypt's View

Regarding "From Nasser to Mubarak: Egypt's Difficult Journey" (IHT, Aug. 17): Mr. Apple claims Egyptians are "bewildered" by the peace treaty that failed. "I don't understand what they expect the Israelis to do for

them. Egypt was returned the whole of the Sinai and Israel in return received the pledge of peace. Israel is now nothing more to give to Egypt except the continuation of that peace.

M. SCOTT GORDON,
Gstaad, Switzerland

Letters intended for publication should be addressed to the editor, with the writer's signature and address. Brief letters may be edited for space and clarity. Letters may be delayed. We cannot acknowledge all letters, but we value the views of the readers who submit them.

U.S. Envoy Gave an Insider's Perspective to Peking Talks

By Michael Weisskopf

Washington Post Service

PEKING — On Aug. 15, a weary but relieved Arthur W. Hummel Jr. shook hands with Chinese officials across a green, felt-topped negotiating table and set Chinese-American relations back on course after months of strain.

Chinese and U.S. diplomats had been struggling over endless cigarettes and cups of tea since last October, trying to solve what seemed insurmountable — Washington's military commitment to Taiwan vs. King's claim to the capitalist is-land.

But when Mr. Hummel left the negotiating session, he had an agreement that drew China and the United States back from the edge of diplomatic breakdown.

For Mr. Hummel, 62, who has been U.S. ambassador to Peking since August, 1981, it was just the latest skirmish in an internal Chinese "civil war" that he has been waging on and off most of his life.

Mr. Hummel brings to his post a background that is unique in the U.S. Foreign Service. A "missionary brat" born in China, Mr. Hummel fought with Nationalist guerrillas during World War II. As a UN relief officer, he gained firsthand knowledge of the conditions that led to the Communist victory in 1949 and the flight of the Nationalists to Taiwan.

From his early days, he fashioned himself as a renaissance man, hitchhiking across America's Midwest and taking such odd jobs as private detective and factory worker before entering government service.

Yet for all his flamboyant years in other countries, "China is the center of his life," a fellow diplomat in Peking said.

The diplomatic colleague, who has known Mr. Hummel for 30 years, said he has an understanding of his history, the Chinese way of doing things. This gives him a special perspective.

Mr. Hummel brought the perspective with him to the negotiating table in recent months. His comprehension of Chinese gave him extra time to formulate his responses while the English translation worked. His familiarity with Chinese officials made it easy to slip away from the intense sessions for an informal chat over lunch, when, he said, "we made progress and gave each other clues."

"The personal dynamic helped in convincing the Chinese of the American reasons" for selling weapons to Taiwan, "but how much that affected their decision-making, I don't know," he said in a recent interview. "Personal acceptability is one thing, and foreign policy is another."

Mr. Hummel was born in Shanxi province in 1920 and spent his first eight years in Peking, where he learned Chinese. His father was a Congregationalist minister and noted Sinologist whose history of the Qing Dynasty still is

considered a standard in the field.

After his father moved to Washington, Mr. Hummel became a rebellious youth. He was twice thrown out of prep school, and he dropped out of Antioch College. By his own description, he lived like a hippie before it was fashionable.

It was during his days as a guerrilla, fighting under the nom de guerre Hong Anshi, that Mr. Hummel learned the power of Chinese nationalism. He carried the lesson with him to the negotiating sessions in Peking 40 years later.

He decided to go back to China

in 1940 and was teaching English in Peking when the Japanese bombed Pearl Harbor in December, 1941. Japanese troops occupying Peking arrested Mr. Hummel in a roundup of enemy aliens. He spent the next two years in an internment camp.

Moving Up

He joined the State Department in 1950 and put his China background to work right away. High-ranking U.S. diplomats were embroiled in McCarthyite charges of selling out China to the Communists, and the new staffer helped prepare their defense.

He became the No. 2 man at the U.S. Embassy in Taiwan from 1965 to 1968, and then, for three years, ambassador to Rangoon, where he determined that large quantities of opium were being smuggled out of Burma.

Back in Washington, he was acting assistant secretary of state in 1973 when he helped Chinese officials set up a liaison office, the first step in the lengthy normalization process.

Ambassador to Pakistan

In 1973, Mr. Hummel became adviser on China to Secretary of State Henry A. Kissinger. The two men did not always agree.

"To this day, Henry likes to tell people that I'm mean to him," Mr. Hummel said with amusement.

Mr. Kissinger dispatched Mr. Hummel as ambassador to Ethiopia.

His star began to rise again when President Jimmy Carter sent

him to Pakistan, where he was head of mission when Islamic radicals set fire to the U.S. Embassy in 1979. Mr. Hummel, who was at home during the siege, called President Mohammed Zia ul-Haq and arranged for the rescue of his staffers and visitors, who were trapped at the embassy.

Mr. Hummel believes it was his success in bringing Pakistan more firmly into the U.S. orbit by putting together a \$3-billion aid package in 1981 that convinced Secretary of State Alexander M. Haig Jr. to give him the coveted China posting.

To his admirers in Peking, it seemed like the natural assignment.

"He's absolutely unflappable," a U.S. Embassy official said. "He understands the Chinese negotiating techniques and the meaning behind the barrage of words."

But Mr. Hummel believes too much can be made of his expertise in untangling the China puzzle.

"These people are not very dif-



Arthur W. Hummel Jr.
from anyone else," he said. "The rules of the game are a little different, but once you understand the social milieu, there's nothing very esoteric about dealing with Chinese."

Politics, Economy Still Troubled As Portugal Erases Leftist Reforms

By Paul Lewis

New York Times Service

LISBON — While most of the population sweltered peacefully on the beaches, Portugal this month rid itself of a major relic of its brush with Communism after the revolution of 1974 that overthrew a 40-year dictatorship.

After two years of political maneuvering, the Portuguese parliament finally mustered the necessary two-thirds majority to reform the Marxist-leaning constitution of 1976 and abolish the committee of leftist army officers known as the Council of the Revolution. The council had powers to veto legislation it considered unconstitutional. In the same reform, the Assembly of the Republic sharply curtailed the powers of the country's president, Gen. António Ramalho Eanes, who headed the council.

The vote was immediately hailed as a major political victory for Prime Minister Francisco Pinto Balsemão's center-right coalition government. Mr. Balsemão's plans to open up more of the Portuguese economy to private enterprise have repeatedly been frustrated by the Council of the Revolution.

It is also being presented as a significant consolidation of parliamentary power in Portugal at a time when democracy is under strain in neighboring Spain and other southern European countries — and has been snuffed out entirely by the military in Turkey.

No Quick Solution

But while both claims are true to a point, marching the Council of the Revolution back to barracks will do little in the short term to ease the problems of economic backwardness and political inexperience confronting Portugal.

Originally the Balsemão government wanted to abolish the Council of the Revolution as part of a sweeping revision of the 1976 constitution that would purge it of all leftist aspects. But Mario Soares' opposition Socialist Party agreed to provide the majority needed to

get rid of the council only after Mr. Balsemão dropped plans to scrap Portugal's constitutional commitment to Socialism and agreed to preserve the "irreversible" nationalization of banks and other key industries, including cement, steel, transport, communications and brewing.

The Balsemão coalition, Portugal's longest-lasting government since 1974, has already started to reverse some of the economic reforms carried out by the leftist officers who were so prominent in the 1974 revolution, returning confiscated farmland and encouraging foreign investment. Undeterred by its failure to denationalize Portugal's huge money-losing state sector, the government hopes to make it more efficient, even though this could increase unemployment.

It also wants to develop a new private banking system in competition with the state-owned one, and is encouraging dispossessed indus-

2 Civil Guardsmen Killed by Bomb In Basque Region

Reuters

BILBAO, Spain — Two members of the Civil Guard were killed and a third was seriously wounded Wednesday in the Basque town of Mungia when a bomb they were trying to defuse exploded, police said.

They said they suspected guerrillas of the Basque separatist organization ETA of planting the bomb outside a branch of Banco de Vizcaya in Mungia, just north of Bilbao. The bank had received threats from ETA.

The guardmen were bomb disposal experts who had been called to the bank after an anonymous warning. The 1.5-kilogram (3-pound) bomb went off as they tried to drag it away from the bank.

"It's simply not fair for the state to be trying to execute these people when they're not adequately represented," said Mr. Harrison's volunteer colleague, Robert H. Dillinger, a St. Petersburg lawyer.

Largest Death Row

The concern is largest at the Florida State Prison in Starke, where 181 men, the largest death row population in the nation, are locked away behind fences and walls: coils ofrazored wire and electrically controlled gates. Florida was the first state to enact a new capital punishment law after the Supreme Court struck down the old laws as unconstitutional in 1972.

"I definitely think that somebody is going to get killed in the next nine months because they simply didn't have a lawyer," Baya M. Harrison 3d, a former deputy attorney general of Florida who is now in private practice in Tallahassee, said last week.

In Georgia, where the death row population has grown to 118, the



United Press International

Béatrice Saubin, a Frenchwoman, is taken to a Kuala Lumpur court to appeal a death sentence for drug smuggling.

Frenchwoman Wins Plea Against Death in Malaysia

Reuters

KUALA LUMPUR — A Malaysian court Wednesday commuted the death sentence passed on Béatrice Saubin, 22, a French secretary, to life imprisonment.

But the court dismissed her appeal against her conviction in June for trafficking in 534 grams (19 ounces) of heroin worth more than \$500,000.

Miss Saubin gasped with relief when the sentence was commuted and told her lawyer, R. Kumaraendran: "I owe it to you." The lawyer said that since she had already been held for 2½ years, Miss Saubin would probably serve about 11 years with remission.

She pleaded not guilty at her trial, maintaining she did not know the heroin was hidden in her suitcase when she was arrested at Penang airport in January, 1980. She said that her lover, Eddy Tan Kim Soo, who has not been traced, used her as an unwitting courier.

The Portuguese government's failure to get all the constitutional reforms it wanted is increasing tensions between the three fractious coalition partners, Mr. Balsemão's Social Democrats, the rightist Christian Democrats and the small Monarchist Party. Some political observers believe that despite the government's success in abolishing the Council of the Revolution, Portugal is heading this fall for a political crisis it can ill afford.

Meanwhile, as the politicians squabble, the opinion polls show that Gen. Eanes, a colorless but palpably honest figure, is easily the country's most popular leader despite his recent humiliation by parliament. After more than a generation of fascist rule, the Portuguese still preserve a lingering fondness for a strong hand on the tiller of the state, and this may grow stronger still if the politicians fail to do better.

Groups Cooperate

John Spenkler died in the electric chair here on May 25, 1979. He is the only man so far to mount a legal battle against his death sentence under the new laws and lose. The four men killed in Utah, Nevada, Indiana and Virginia since the Supreme Court ban on capital punishment was lifted in 1976 all insisted to the end that they preferred to die.

Remembering the Spenkler case, and faced with a mounting case load of such large numbers,

the Legal Defense and Educational Fund's lawyers spend a great deal of time coordinating the search for willing lawyers with the few small regional and state organizations that are involved in opposing capital punishment. These groups include the Southern Prisoners Defense Committee in Nashville, Tenn., Millard Farmer's Team Defense Project in Atlanta, the Southern Poverty Law Center in Montgomery, Ala., the Florida Clearinghouse on Criminal Justice in Tallahassee, and the Prison and Jail Project in Durham, N.C.

Almost without exception, the people on death row are poor. Volunteer lawyers are essential to make their appeals. Mr. Butler of the Legal Defense and Educational Fund said, because the states provide public lawyers for only a portion of the long and complicated appellate process.

In the midst of a perceived public clamor for executions — a minor candidate for governor in Georgia campaigned around the state with a mock electric chair towed on a trailer behind his car — the efforts of the volunteer lawyers on behalf of those convicted of murders are often not widely appreciated.

These lawyers take on extraordinarily difficult, highly unpopular, emotionally charged cases on short notice," Judge Lynn C. Higby of the U.S. District Court for the Northern District of Florida wrote in an opinion last April, defending the relief sought by a volunteer lawyer, Stephen Bernstein.

"So long as this state of Florida persists in ignoring reality by refusing to provide defendant sentences to death legal assistance in their collateral litigation," Judge Higby concluded, "I hope for the sake of our judicial system, our constitutional guarantees and the rights of the defendants that there will be lawyers of Bernstein's caliber to help these defendants."

Mrs. Clark had testified that she was reared in the Ozark Mountains of Arkansas and always had a garden. When she planted the seeds, she said, "I thought they looked like radish seeds. I knew when they came up they weren't."

AUTHORS WANTED BY N.Y. PUBLISHER
Leading subsidy book publisher seeks manuscripts of all types, fiction, non-fiction, poetry, juvenile fiction and religious works, etc. New fiction, non-fiction and free books. H.A. & G. Vintage Press 515 W. 34th St., New York, 10019. 113 A.



Laura Clark in Houston after being placed on probation for possessing marijuana. Behind her is her attorney, Bill Portis.

Texan Gets Probation For Pot in Her Garden

The Associated Press

HOUSTON — Now that she's been convicted of growing pot in her vegetable garden, 32-year-old Laura Clark says she doesn't "care about marijuana" and adds, "I'll never plant any more."

Jurors deliberated 20 minutes

Tuesday and found the great-grandmother guilty of felony possession of a controlled substance.

She was sentenced to two years of unsupervised probation, the most lenient penalty allowed. The maximum would have been 10 years in prison and a \$5,000 fine.

Mrs. Clark testified that a doctor in Mexico gave her the seeds and told her they were herbs. She said she intended to use the plants to make an arthritis lotion. She acknowledged that a friend, who saw the plants when they were about a foot high (30 centimeters), revealed their true identity. But she said she let them grow in good faith.

"I wouldn't have chewed it," she said after the verdict. "I was going to do what the doctor told me to do — soak the leaves in alcohol and put the juice on wherever I hurt."

Two plainclothes narcotics detectives said they arrested Mrs. Clark after they went to her house.

May 4, acting on an anonymous tip, and found five or six marijuana plants. A chemist testified that the marijuana taken from her garden amounted to 506 grams (18 ounces).

Mrs. Clark's lawyer, Bill Portis, dropped to one knee during final arguments and begged jurors to find the woman innocent. He said later that there would be no appeal.

Mrs. Clark had testified that she was reared in the Ozark Mountains of Arkansas and always had a garden. When she planted the seeds, she said, "I thought they looked like radish seeds. I knew when they came up they weren't."

AUTHORS WANTED BY N.Y. PUBLISHER
Leading subsidy book publisher seeks manuscripts of all types, fiction, non-fiction, poetry, juvenile fiction and religious works, etc. New fiction, non-fiction and free books. H.A. & G. Vintage Press 515 W. 34th St., New York, 10019. 113 A.

tion on Social Security Reform last week that the tax bill will improve the status of Social Security.

But the system of retirement benefits and disability payments still requires an added \$1 billion in fiscal 1983 and \$3 billion in fiscal 1984 to keep going with only a thin reserve margin of 12 percent of a year's benefits, she said. She added that much larger reserves, up to 75 percent, would be desirable.

The commission was appointed by President Reagan to help recommend a solution, but it is not expected to come up with any proposals until after the elections in November.

Aides later broke down Mrs. Rivlin's figures: Under her office's July economic assumptions, the system would have needed about \$30 billion before passage of the tax bill to keep all three trust funds (old age, disability and hospital insurance) at a 12-percent reserve through the end of fiscal 1985, assuming borrowing among the three funds when needed.

The tax bill is expected to provide about \$16.2 billion of the \$30 billion, leaving about \$14 billion still needed over the three-year period. The \$16.2 billion would come from the bill's \$9.7-billion cuts in Medicare reimbursements to hos-

pitals from 1983 to 1985 (it also cut doctor reimbursements, but they are not paid out of the hospital insurance trust fund); \$4 billion in new hospital trust fund revenues resulting from imposing the 1.3-percent Medicare portion of the Social Security tax on federal employees; and \$2.5 billion from added interest income to the system from these financial improvements.

Sen. John Heinz, Republican of Pennsylvania, a commission member and chairman of the Senate Committee on Aging, said that if the actual economic picture turned out only slightly worse than Mrs. Rivlin's scenario, up to twice the \$14 billion might be needed.

Theory Criticized

An economist with the Brookings Institution, Henry Aaron, sharply attacked the theory of Martin Feldstein, the new chairman of the Council of Economic Advisors, that Social Security's existence makes people save less and therefore retards investment.

"It is simply not true that saving, however measured, has tended to drop off as Social Security has grown in importance," Mr. Aaron said.

Wind Instruments

The most famous French and foreign brands. Take advantage of your visit to Paris and buy the instruments you dream of at the most amazing prices!

SAXOPHONES • CLARINETS
TRUMPETS • FLUTES • OBOES

hamm

SCIENCE

At the Edge of a New World in Physics

By Walter Sullivan

New York Times Service

GENEVA — Using a combination of machines and detectors built on a monumental scale, scientists are ready to launch into a whole new world of physics. In scope and complexity, their project bears much in common with missions into space.

The goal is to find what the scientists refer to as the missing "key stone" in the family of particles that seem to constitute and control matter at the most basic level.

The celebrated keystone is a triplet of particles that, it is believed, will fit into what otherwise appears to be an orderly theory of matter and the universal laws that govern it. These three relatively massive, though elusive, particles are known as W , W , and Z .

If scientists are indeed able to observe them, they will see for the first time the particles that carry one of the basic forces in nature — the so-called weak force. To do so, they will be using equipment at CERN (the European Organization for Nuclear Research) in Geneva, that will generate energy levels no other machinery has ever achieved.

The search began more than 40

Translating the Smile

By Paul Raeburn

The Associated Press

ATLANTA — There are grins, beans and smirks — 1,814,400 ways in all to turn a frown upside down — and when the world smiles with you it can have a world of different meanings, Larry Stettner says.

Stettner, a psychologist at Wayne State University in Detroit, says smiling is a complicated and important form of self-expression, and he believes that improved knowledge of it could have practical applications.

Besides, it feels good, Stettner said at a meeting of the International Primatological Society.

"It's like discovering a language system," he said. "I've become ensnared in working out the vocabulary of smiling." Stettner told the symposium that there are many different kinds of smiles — 1,814,400, by his estimate. "That could be off by several hundred thousand," he added, not with a straight face.

He turned serious when explaining some of the practical applications of his work. "A lot of people are interested in smiles. People who study a foreign language, for example, ought to know what different smiles signify in different cultures. You learn a language but you don't learn the nonverbal language."

It can also be useful to know when someone is faking a smile. A colleague of Stettner's found on a recent trip to the Soviet Union that the KGB was very interested in knowing how to spot a false smile. They questioned him in detail about his work. Dentists and plastic surgeons would like to know more about smiling so that they can repair teeth and faces without changing the meaning in a patient's smile.

Stettner would like to determine which components of smiles — raised eyebrows, wrinkled noses, crows' feet around the eyes, for example — are universal and which are regional or peculiar to certain cultures.

Most of what is known about smiling comes from studies of infants and their parents. Sidney Perle of Haverford College in Pennsylvania tried to determine why fathers tend to smile less at the antics of babies than mothers do.

It had been thought that fathers had less reason than mothers to develop rapport with infants because fathers play a smaller role in nurturing the infant. But Perle found that males are less likely to smile simply because they are more aware that they are being watched by other adults and may fear that smiling at babies might be unbecoming.

years ago. In the words of the experimenters, a successful outcome would represent the capture of "currently the most prized trophies in all physics." The particles are expected to materialize very briefly from the burst of energy released by head-on collisions of highly accelerated protons and their antimatter twins, antiprotons. Five machines will be linked to achieve the necessary energy.

Four-Mile Circumference

The newest of these machines, the Super Proton Synchrotron, is four miles in circumference. It spans the Swiss-French border in a tunnel. Except for a few access buildings and vents, the rural landscape shows no sign of the high-energy events occurring far below.

In tests of the proton collider last fall, the energy produced was thought sufficient to produce the W and Z particles, but not enough of them to be observable. The concentration of impinging particles and collisions was too low.

Now, however, the intensity has been considerably improved. Carlo Rubbia of Harvard, who has played a leading role in developing the project, believes that, when the experiment begins running full blast in October, 10 W particles

and one Z particle should be seen daily.

Those particles, sometimes referred to as "intermediate vector bosons," would complete the roster of those tested, according to current theory, to account for all the basic forces in nature except gravity.

Evidence from years of experiments indicates that all matter, at the most fundamental level, is composed of two types of particles, leptons and quarks. The leptons, or lightweights, consist of electrons, which encircle the nuclei of atoms; two heavier cousins; and three seemingly weightless particles called neutrinos. The quarks combine to form heavy particles such as the proton and neutron of the atomic nucleus.

For each of these particles, there exists a twin, opposite in electric charge or other such property. These are the particles of so-called antimatter. When matter and antimatter meet, they annihilate each other, releasing a highly energetic flash. In our galaxy, if not in the entire universe, matter predominates. However, antimatter can be created, in high-energy collisions, such as those that occur in nature and those that are planned in this experiment, the resulting flash of energy can materialize as a matching pair of matter-antimatter particles — for example, a proton and an antiproton.

Scientists believe that the fields controlling the behavior of all matter, such as gravitational or electromagnetic fields, exert their force through continuous exchanges of particles between the matter exerting the force and the matter affected by it. For example, the electromagnetic force binding atoms and molecules together is carried by photons. Gravity is thought to be carried by gravitons. In 1935 the Japanese theorist Hideki Yukawa proposed that two other forces acting only at distances smaller than atoms must operate in particle form.

The "strong force" that binds together particles of the atomic nucleus, he said, would be embodied in a moderately heavy particle, now called the meson. The "weak force" governs more subtle reactions, such as the radioactive disintegration of neutrons; it is what blows the neutron apart when it decays radioactively. And the weak force would be carried by a far heavier particle.

It is now believed that the weak and electromagnetic forces manifest the same underlying phenomenon, just as, a century ago, electricity and magnetism were reduced from two theories to a single unified theory.

The new theory regarding the weak force predicts that it is carried by three particles. Two would

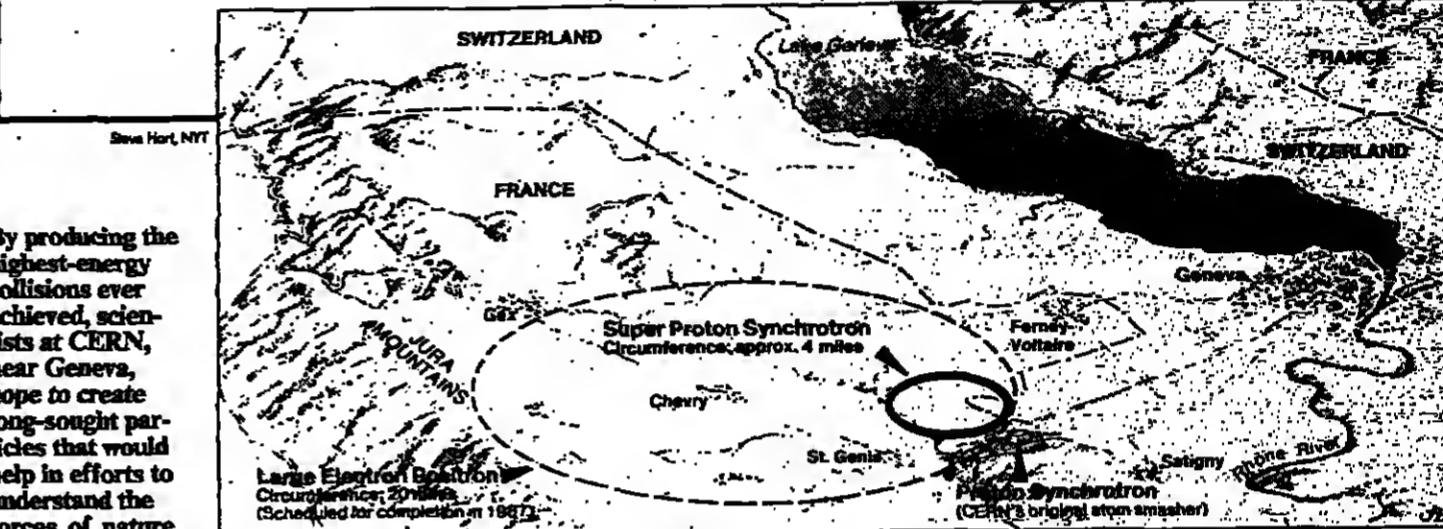
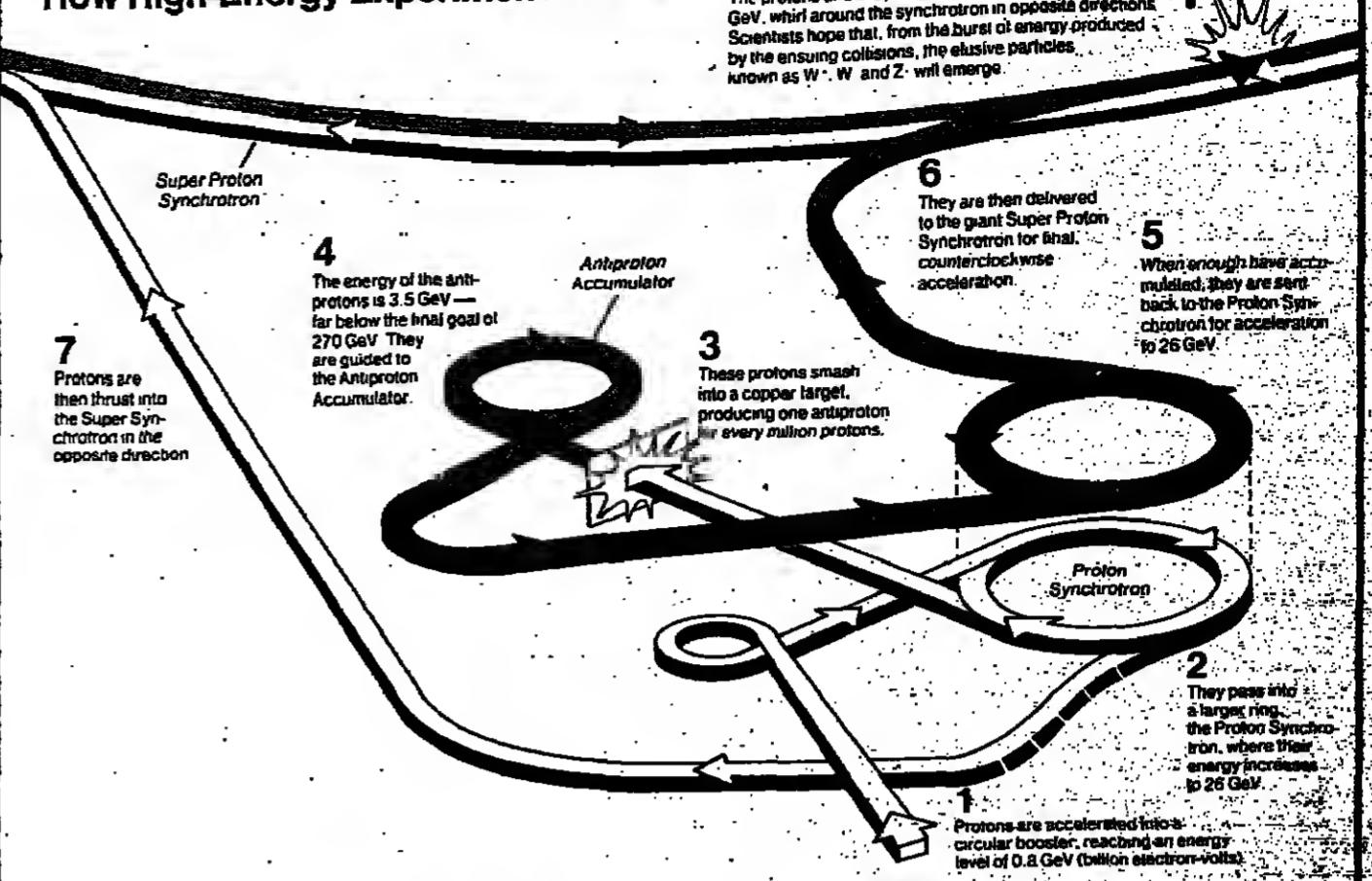
be W s, one positive and one negative, each with a mass of 79.5 GeV (which means that their mass, if turned into energy, would equal 79.5 giga, or billion, electron volts). The third would be a neutral Z particle of 90 GeV.

The project was delayed six months after dust was inadvertently sprayed into one of the \$20-million detectors. But once it got under way again, opposing beams will be boosted to 270 GeV in the large ring of the Super Proton Synchrotron, after an elaborate series of preliminary steps. Protons will first be boosted down a straight path, or linear accelerator, to 0.6 GeV, and into a circular booster for acceleration to 0.8 GeV.

They will then be sent into the larger ring of CERN's original atom smasher — the Proton Synchrotron, completed in 1959 — where their energy will be increased to 26 GeV. These protons will smash into a copper target, producing a spray of debris including a very small percentage of antiprotons — roughly one for every million impinging protons.

The energy of the resulting antiprotons will be only 3.5 GeV, far below the final goal of 270 GeV. They will be guided magnetically to a small ring, the Antiproton Accu-

How High-Energy Experiment Works



cumulator. Every 2.4 seconds a situation can be likened to a disorderly field of race horses galloping around a track. To a jockey on one horse the others seem to be moving in all directions. To correct such motion in the Antiproton Accumulator, a device on one side of the ring measures deviation of the particles from an ideal orbit, then sends a signal across the ring to a "kicker" that gives the beam an appropriate electric pinch.

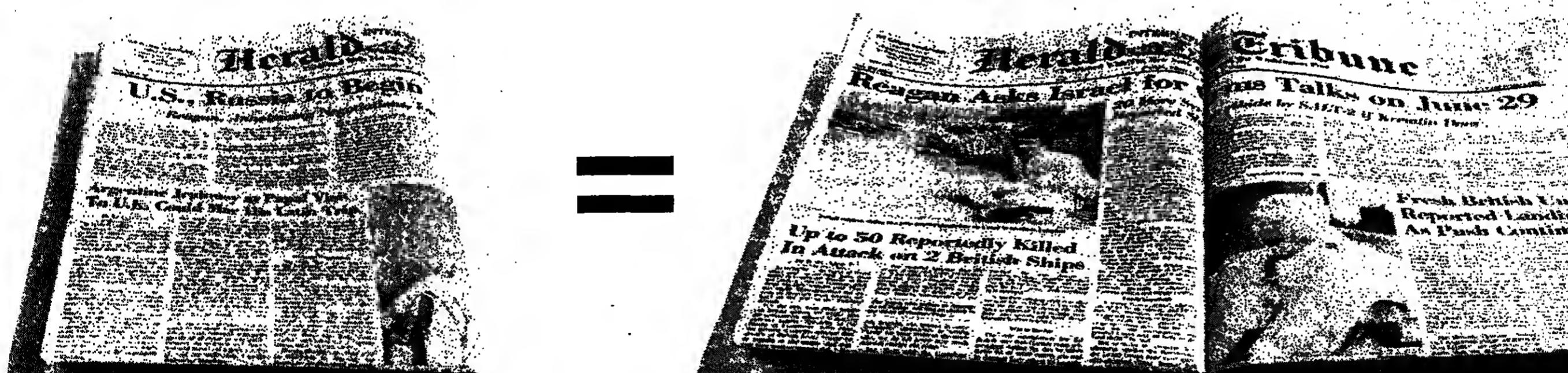
When enough antiprotons have accumulated for a test run, they are sent back to the Proton Synchrotron for acceleration to that machine's maximum energy, 26 GeV. They are then delivered to the giant Super Proton Synchrotron for final counterclockwise acceleration.

should be very short-lived, less than a billionth of a billionth of a second — but should decay in various predicted ways.

The protons and antiprotons, circling 50,000 times a second in opposite directions and slightly different orbits around the four-mile ring, are then accelerated to 270 GeV. On each orbit they cross one another in two cavernous experimental areas equipped with giant devices to record what happens after collisions.

The expected production rate is only about one W or Z particle per billion collisions. The particles

TWO TRIBS FOR THE PRICE OF ONE



Please circle below the time period and reduced subscription price selected.

To: Subscription Manager,
International Herald Tribune,
181 Avenue Charles-de-Gaulle,
92521 Neuilly Cedex, France.
Telephone: 747.12.65. Telex: 612832.

Yes; I would like to accept your bargain offer. Please send me the International Herald Tribune for the time period and at the reduced price circled on this coupon.

26-8-82

My name

Address

City

Job/Profession

Nationality

Company activity

IMPORTANT: Payment must be enclosed with this form to validate your subscription. Please make checks payable to the International Herald Tribune. Do not send cash. Pro-forma invoices are available upon request.

If you purchased this Trib at a newsstand, you're already enjoying a rare bargain — the whole world in just a few tightly written, fact-packed pages. You're reading a product created by scores of journalists working day and night from dozens of distant datelines to bring you a compact compilation which can be purchased for the price of a cup of coffee.

But why not double the bargain? Enjoy twice as many newspapers with double the headlines, business trends, candid commentary, high fashion and comic strip hi-jinks, exciting sports and puzzling crosswords?

By subscribing to the International Herald Tribune for six months or a year, you receive each copy at almost half the newsstand price. Up to 46% off, to be precise, depending on where you live. Twice as many Tribs for your money.

Subscribe now and we'll speed bargain-price Tribs to you from our various simultaneous distribution points in Paris, London, Zurich and Hong Kong and, beginning in October, Singapore.

Join the global who's who of thought-leader readers who turn to each morning's Trib for the latest in objectively reported world news, briskly written opinion, the day's closing business tabulations, buy-and-sell reports from the international marketplace, at-the-stadium recaps of just-completed matches, what's happening in the world of culture — and all in an international perspective.

Double the value of the Trib by halving its price. Subscribe now so you don't miss a single issue. Just fill out the coupon opposite and mail. For maximum savings, subscribe for a full year. This cut-price subscription offer is for new subscribers only.

INTERNATIONAL
Herald Tribune
Published by The New York Times and The Washington Post

مكتبة المعلم

BUSINESS / FINANCE

THURSDAY, AUGUST 26, 1982

Statistics Index

AMEX Prices	P.11	Fitter Rate Notes	P.10
NYSE Prices	P.10	World Markets	P.10
Canadian Stocks	P.10	Hedge & Lows	P.10
Commodities	P.10	Market Summary	P.10
Dividends	P.10	U.S. Money Rates	P.10
Earnings Reports	P.9	OTC Stocks	P.10
Euro-rates	P.10	Other Markets	P.10

Page 7

BUSINESS BRIEFS

Electrolux Weighs AEG Acquisition

STOCKHOLM — Electrolux, the Swedish maker of home appliances, is exploring the possibility of acquiring the major household appliance business of AEG-Telefunken, the insolvent West German electrical group, according to Electrolux Managing Chairman Hans Werthen.

Mr. Werthen said that Electrolux had been in contact with AEG-Telefunken and was studying the possibilities of a takeover. But any decision would not be made for several months at the earliest, he said.

The units under consideration are three AEG-Telefunken subsidiaries that have filed for reorganization. They are AEG-Telefunken Hausgeräte, a maker of small appliances; Zaner and Neff-Werke, both makers of refrigerators and other kitchen equipment.

Intel, Siemens Production Accord

ISELIN, N.J. — Siemens of West Germany and Intel of the United States said Wednesday they will cooperate on an advanced generation of telecommunications circuits as an extension of an existing microprocessor agreement between the two companies.

The companies said the agreement specifies that certain advanced generation products of the two companies will be made compatible. It also provides that both companies will have the right to manufacture each other's components.

Quick Acquires Specialist Brokerage

NEW YORK — Quick & Reilly, the second-largest U.S. discount brokerage firm, said Tuesday it had acquired for \$2.5 million the assets of Colin Hochstein, a small institutional brokerage and specialist in trading the stocks of 27 companies on the New York Stock Exchange.

The acquisition came 10 days after Justin Colin, a senior partner in Colin Hochstein, filed for protection from creditors under Chapter 11 of the Federal Bankruptcy Act and resigned from the firm. Approval of the \$2.5 million acquisition came after competing bids were made over the weekend by Carl Icahn, the New York financier.

Leslie C. Quick Jr., president of Quick & Reilly, said his company's main interest in Colin, Hochstein was its "specialist's book" — meaning the 27 stocks in which it has made a market on the floor of the New York Stock Exchange. "We've never been a specialist and we've been in the market to acquire one for a year and a half," Mr. Quick said.

Global's Bid for McFarlane Blocked

NEW YORK — A federal court has issued a temporary restraining order against the acquisition of McFarlane Oil by Global Natural Resources, dissident committee said Wednesday.

The dissident group, which is headed by Bear Stearns & Co., said the federal district court in Cincinnati enjoined both Global and McFarlane from voting or attempting to vote any shares of Global issued to the owners of McFarlane at Global's annual general meeting scheduled for Sept. 13.

Last June, Global proposed to acquire McFarlane for \$44 million in cash and stock. The committee said Global made false and misleading statements and omitted material facts, including the true value of McFarlane, in connection with the acquisition.

Bethlehem Steel Shuts Down Plant

BETHLEHEM, Pa. — Bethlehem Steel said Wednesday that it will shut down on Sept. 17 the electric furnace meltshop, primary mills and steel preparation facilities at its Johnstown, Pa., plant. About 700 employees will be affected by the closings.

Bethlehem Steel said the curtailment of steelmaking at Johnstown was intended to bring steelmaking operations and inventories in line with projections of an extended period of low steel demand. The length of the shutdown will depend upon business conditions but most likely will extend through the rest of the year, it said.

Compiled From Agency Dispatches

France Vows Continuation Of Restraints

PARIS — France's Cabinet, under domestic and foreign pressure to prove it can halt France's economic slide, said Wednesday that it is sticking to its four-month austerity program aimed at curbing inflation and state spending and boosting production.

At a Cabinet meeting, Prime Minister Pierre Mauroy and Finance Minister Jacques Delors stressed the need for restraint and sacrifice, cornerstones of the Socialist government's policy since it imposed a wage and price freeze in June.

The austerity program, due to expire Oct. 31, has been strongly opposed by most trade unions, and Mr. Mauroy asked union leaders on Wednesday to moderate wage demands until the end of 1983 to help reduce inflation.

While the Cabinet met, the franc again was squeezed lower on foreign exchange markets, reflecting international pessimism over the country's economic outlook. The Bank of France sold about 25 million Deutsche marks to bolster the franc after it fell to a record low of 2.62 to the mark in early trading.

The Finance Ministry denied rumors on international markets that France was planning to withdraw from the European Monetary System as an alternative to further devaluations. It pledged continued French commitment to the EMS, which links most major West European currencies.

Economists say the success of the government's austerity policy will depend on whether the government can convince employers and unions to accept further restraint after Oct. 31.

According to presidential spokesman Jacques Attali, Mr. Mauroy told the Cabinet that price and income restraint and curbing state spending were among the government's priorities until the end of the year.

Mr. Attali said the government was also pursuing its drive to reduce unemployment — now static



Jacques Attali

at just over two million — by boosting production. Public and private investment would continue to be directed into key industries.

Mr. Mauroy said.

Mr. Delors said service and manufacturing industries would be asked to sign anti-inflation agreements until the end of 1983. The state would keep rises in public charges below eight percent next year, he said.

Mr. Attali said companies that cooperated in fighting inflation would be allowed to fix prices competitively.

Economists have said that basing salaries on production, for example, could prove a stumbling block for the government, as some trade union leaders have already stressed they will not forego the right to free collective bargaining after the freeze.

Employers are opposed to further price restraint, arguing that they are being forced out of business.

The government will hold talks with different industrial and professional sectors on longer term policy after the end of the wage and price freeze, Mr. Attali said.

And in a move to encourage activity on the Paris Bourse, the Cabinet said it planned to continue the "Monetary Law" tax concession for people aged over 50. The law, due to expire at the end of this year, allows purchases of shares up to 5,000 francs to be set against taxes.

New York's Best Business Address.



For information and reservations, call your travel agent, any Hilton Hotel or HILTON RESERVATION SERVICE. (In London, call 01-631-1767. In Paris, call 667-34-80.)

301 Park Avenue - New York, NY 10022 - Tel: 666-7474

Oil Stocks Lead Rally On NYSE

Compiled by Our Staff From Dispatches
NEW YORK — Prices on the New York Stock Exchange, aided by strong oil issues, overcame a sputtering start and closed sharply and broadly higher Wednesday in heavy trading.

The Dow Jones industrial average was up only a few points most of the morning, but then rose more than 16 points in the afternoon and closed up 9.99 points at 884.89. Advances overwhelmed declines by a 12-to-4 margin.

Volume reached 106.2 million shares, below Tuesday's 121.7 million but still the fourth largest total on record.

Analysts said rumors of a discount rate cut were the immediate cause of the rally. The discount rate, on funds loaned by the Federal Reserve to banks, is currently at 10.4 percent and has been reduced three times in the last two months.

The discount rate is read as a signal of Fed policy and analysts said a fourth reduction in the rate would demonstrate that the central bank is committed to relaxing credit restraints.

Analysts said institutional money managers swung into action along with the smaller investor when they saw early profit taking was not, going to drive prices sharply lower. No one wanted to be left out of the rally.

As has been the case throughout, blue-chip issues were leading the afternoon surge that followed an earlier consolidation of activity of the past week and a half.

Analysts were somewhat divided in their predictions of the Dow Jones average's direction during the next few weeks.

Leonard Siegel, a vice president of New York-based Josephthal & Co., projected that the average would "retrace" between one-third and one-half of its latest gain.

But Alfred E. Goldman, an analyst with A.G. Edwards & Sons of St. Louis, said of the Tuesday dip in the average: "It looks like the freight train just slowed down to take on some fuel, but it didn't derail."

Controversial market forecaster Joseph Granville, who had been rumored to be changing his recent gloomy pronouncements, instead warned "subscribers" to his newsletter that he had not changed his "bearish opinion one iota."

Mr. Granville, whose much-publicized predictions have been credited with sparking major market moves in the past, said stocks today present "a selling, not a buying, opportunity."

Observers said oil stocks strengthened in the afternoon following Iraqi claims its warplanes bombed the main Iranian oil terminal at Kharg Island on the Persian Gulf, scoring direct hits.

Among the oil issues posting gains were Exxon, up 14 to 29; Atlantic Richfield, up 24 to 384; and BP, up 1% to 204.

Mr. Granville, whose much-publicized predictions have been credited with sparking major market moves in the past, said stocks today present "a selling, not a buying, opportunity."

It was a surprise to me. I didn't think it was going anywhere," said John McGinty, who follows Harvester for First Boston. "I'm surprised that anybody wanted it ... The price must be incredibly cheap."

Mr. McGinty said the price was hard to guess because it was unclear how much of the division's outstanding receivables and un-



New York Stock Exchange workers booking stock orders.

NYSE Handles Volume, Handily

By Leonard Sloane
New York Times Service

NEW YORK — With the record-shattering stock market volume of recent days came the question of whether the stock exchanges and the brokers could keep up with the paperwork involved. The answer was a solid yes.

With hardly a ripple, the New York Stock Exchange handled 455.1 million shares last week — more than were traded in all of 1953 — including a record 132.69 million shares on Wednesday. On Monday and Tuesday of this week, volume has exceeded 100 million shares a day.

Virtually all the orders — about 82,000 on the record-volume day alone, including almost 2,500 blocks of 10,000 shares apiece — have been handled without a hitch. Such large volume, of course, also means large commissions for Wall Street brokerage firms.

Tuesday was the settlement day, when sellers had to deliver securities and buyers had to deliver cash for trades that took place Aug. 17. That was the first day of the five in the last two weeks in which more than 90 million shares were traded.

Yet because of upgraded electronic trading and communications equipment, early reports indicated that the process was completed without undue strain on Wall Street personnel or equipment.

"I haven't seen any systems breakdowns. I haven't seen any machinery breakdowns, and I haven't seen any electronic breakdowns," said Samuel A. Alward, the NYSE senior vice president for operations and finance.

A Look at the Future

"If Congress and the SEC [Securities and Exchange Commission] wondered what a national market system should look like, they've seen a marvelous example at the New York Stock Exchange," said Donald Stone, a vice chairman of the exchange and a senior partner of the specialist firm of Lasker, Stone & Stern. The congressionally mandated national market system for trading securities, linking the exchanges and over-the-counter market, has slowly been evolving under SEC auspices.

The NYSE did ask its floor employees to arrive

(Continued on Page 9, Col. 1)

Dresser Agrees to Buy Harvester Unit

Compiled by Our Staff From Dispatches

CHICAGO — International Harvester said Wednesday it had agreed in principle to sell its construction-equipment business to Dresser Industries.

Terms of the cash transaction were not disclosed, but analysts put the value of the construction unit, which accounted for 10.6 percent of Harvester's 1981 sales of \$7.1 billion, at between \$150 million and \$300 million.

Some analysts had questioned whether Harvester would ever find a buyer for the division, and were surprised at the Dresser bid.

It was a surprise to me. I didn't think it was going anywhere," said John McGinty, who follows Harvester for First Boston. "I'm surprised that anybody wanted it ... The price must be incredibly cheap."

Mr. McGinty said the price was hard to guess because it was unclear how much of the division's outstanding receivables and un-

funded pension liabilities — thought to be about \$350 million — Harvester had retained.

A day earlier, West Germany's IBM Holding said disagreements over terms, particularly the pension liabilities, caused it to end discussions with Harvester on purchasing the construction equipment unit.

Harvester has been trying to sell the division as part of a sweeping reorganization. The recession in the construction business has severely constricted the division's

company's plan to dispose of its underutilized assets and redirect these additional resources to its core businesses of trucks and agricultural equipment.

Harvester has forecast that its loss for all of fiscal year 1982 will exceed \$900 million. The company is also seeking concessions from lenders to help shoulder its \$4.2-billion debt load.

Harvester said Dresser, a Dallas-based supplier of oil field and construction equipment, will buy its construction equipment plants at Libertyville, Ill., and of Canada, Quebec, and assets of other facilities. Dresser would continue to make IH products, which include wheeled and crawler tractors and loaders and scrapers, under the International, Payline and Hough names.

Mr. McGinty said Dresser could make the IH division profitable if it severely cut down the number of products being offered.

Bendix Makes Bid Of \$1.5 Billion for Martin Marietta

Compiled by Our Staff From Dispatches

SOUTHFIELD, Mich. — Bendix announced Wednesday that it intends to acquire all the common stock of Martin Marietta at a bid valued at more than \$1.5 billion.

Bendix, a worldwide manufacturer for the aerospace, electronic and automotive industries, said that it was making a tender offer of \$43 per share for 45 percent of the stock of Martin Marietta, a leader in the U.S. space and defense field.

The tender offer is a first step intended to lead to a combination of the two companies, a statement issued by Bendix said.

Bendix said it intends to follow the offer, which has a Sept. 4 deadline, with an exchange of Bendix shares for the remaining Martin Marietta stock at a rate of 0.82 share of Bendix stock for each share of Martin Marietta. Martin Marietta has 35.6 million shares outstanding. Bendix currently owns 4.5 percent of Martin Marietta's stock.

The offer represents a substantial premium for Martin Marietta shareholders over current market prices, Bendix said. Martin Marietta stock gained \$6.125 a share Wednesday on the New York Stock Exchange to close at \$39. Bendix shares lost \$2.50 to \$50.

Bendix said it plans to finance the tender offer from internal sources and existing credit arrangements. William Agee, Bendix chairman and chief executive officer, said the management of Martin Marietta was informed of the offer in a letter delivered Wednesday morning.

Bendix said that in redeploying its internal resources to finance the

offer, it had no intention of reducing its holding of more than 7 percent in RCA.

When it acquired that holding in March, there was an acrimonious exchange of letters between Mr. Agee and RCA Chairman Thornton Bradshaw, in which the latter successfully fended off any further wooing of the part of Bendix.

Mr. Agee said that indicated his desire to use some of the mountain of cash Bendix held — \$372.2 million at the time of their last annual report — to acquire a high-technology company.

Bendix said it would contribute to a stronger national defense through greater financial resources, by broadening the base of technological skills and through more stable earnings in a more diversified defense enterprise.

Bendix has annual sales of more than \$4 billion while Martin Marietta's are more than \$3 billion.

Mr. Agee said he hopes that Martin Marietta management would remain with the combined company and that some directors at the Maryland company would want to join any combined board.

Bendix also said it has instituted proceedings in federal courts in several locations, including Maryland, in an attempt to block enforcement of certain state laws that could halt the tender offer.

A spokesman for Martin Marietta said the company was studying the offer. Analysts said that the company will probably fight the bid

Tighter Borrowing Climate Is Seen by World Bank Unit

By Hobart Rowen
Washington Post Service

WASHINGTON — Developing nations will find it difficult to borrow money in the next year or two because of the depressed state of the world economy and the conclusion by many commercial banks "that they have reached their lending limits in certain countries."

This pessimistic assessment of the short-term investment climate is a central theme of the annual report of the International Finance Corp., the World Bank affiliate that helps finance projects through the private sectors of developing countries.

"I don't see a dramatic turnaround in the overall economic situation in the world," Executive Vice President Hans A. Wuttke told reporters in commenting on the report. "I hope I'm wrong, but we don't think that the investment climate in the industrial countries and developing countries will be the one we'd like to have."

NYSE Takes High Volume In Its Stride

(Continued from Page 7)

at 8:30 a.m. a half-hour early, Tuesday, but Mr. Award called it a precautionary measure in case small orders created a backlog in matching buy-sell orders. Much of the recent trading has been made by institutions and in large blocks.

In contrast to the current situation, just a decade or so ago, far lower volume could send Wall Street back offices, where transactions are matched up, into a tizzy. The industry was so swamped by paperwork in 1968 and 1969 that the NYSE was forced to close one day a week and an hour early every day to handle it.

Even as recently as last year, days of peak volume continued to be a severe burden. When Joseph Granville issued his famous "sell" signal on Jan. 7, 1981, and 92.9 million shares changed hands, Wall Street was awash in overtime.

One measure of the industry's ability to handle the huge turnover of the last few days is the decline in the rate of disagreements between traders. The NYSE uses two such measurements: An initial unadjusted rate, or percentage, of trades in which the two parties disagree as to price or volume; one day after the trade, and questionable trades, or QTs, the percentage in which there is disagreement three days after the trade.

Fewer Fights

In the late 1960s, according to the NYSE, the unadjusted rate was higher than 12 percent and the QT rate, greater than 7 percent. Last Wednesday, the peak volume day, the unadjusted rate was 6 percent and the QT rate was 2.7 percent.

"It was no accident that there were not any major problems," said Mr. Award, the exchange staff official responsible for the trading floor. "This was a result of planning and implementation in the last couple of years."

Underscoring this dependence and planning was the establishment of a trading comparison committee by the NYSE a few years ago, to determine what changes would be necessary to handle the anticipated rise in volume. The word was put out that both the exchange and its member firms had to be prepared to handle a peak volume of 150 million shares a day and a sustained volume of 90 million shares a day by the end of 1981.

To do so, a series of automated systems to handle increased turnover was instituted or improved. In a two-year period, the exchange invested \$70 million in its 11 electronic systems and physical changes on the floor, including the installation of 14 modern trading posts to replace 22.

More and More

The limit order system, which electronically files orders for stocks that are to be bought or sold at a specified price, and the opening automated report service, or OARS, which facilitates automatic processing of orders received before the opening bell, has also helped.

For the brokerages, computerization has accelerated in the last three years. For instance, Norman Epstein, executive vice president of E.F. Hutton, said that his company had spent "several million dollars" for electronic data-processing equipment to handle large volume. "We had a definite obligation to normalize our operations at 100 million shares a day on a sustained basis," he said.

Now that the 150-million-share mark has almost been reached, the exchange and the firms are setting their sights on days of 200 million to 250 million shares.

Gold Markets

Aug. 25

	A.M.	P.M.	Closes
Hong Kong	401.25	397.20	397.20
Paris (7.5% bid)	363.36	358.25	358.25
Zurich	404.00	399.20	399.20
New York	400.00	397.20	397.20
Official London	400.00	397.20	397.20
London Gold Price, U.S. dollars per ounce	400.00	397.20	397.20

Gold Options (prices in \$/oz.)

Price	Aug.	Nov.	Feb.
400	200.00-32.00	200.00-32.00	200.00-32.00
405	205.00-32.00	205.00-32.00	205.00-32.00
410	210.00-32.00	210.00-32.00	210.00-32.00
415	215.00-32.00	215.00-32.00	215.00-32.00

Valcarras White Gold S.A.

1, Quai du Marché
1221 Geneva, Switzerland

Tel. 22 52 20 20

Telex 22 52 20 20

For advertising information contact:
Mr. Max Ferrero
International Herald Tribune
181 Ave Charles-de-Gaulle
92521 Neuilly Cedex
France
Tel: 747.12.65. Telex 612832
or your local IHT representative

Network in Europe:
Branches at: London, Düsseldorf, Paris, Madrid, Amsterdam, Zurich, London
Affiliated and Associated Companies at: London, Luxembourg
Head Office: 1-6, Uchisawacho 1-chome, Chiyoda-ku, Tokyo 100, Japan Tel. 03 506-1111 Branches at: New York, Los Angeles, Chicago, Panama, Taipei, Seoul, Singapore, Representative Offices at: Houston, Toronto, São Paulo, Mexico City, Buenos Aires, Bahia, Jakarta, Kuala Lumpur, Bangkok, Sydney, Subsidiaries at: Los Angeles, Toronto, Hong Kong, Associated Companies at: Rio de Janeiro, Hong Kong, Bangkok, Singapore, Kuala Lumpur, Jakarta, Manila, Melbourne, Sydney

COMING IN OCTOBER

INTERNATIONAL MANAGEMENT

a special supplement by the

International Herald Tribune

For advertising information contact:
Mr. Max Ferrero
International Herald Tribune
181 Ave Charles-de-Gaulle
92521 Neuilly Cedex
France
Tel: 747.12.65. Telex 612832
or your local IHT representative



Hans A. Wuttke

The poor borrowing countries not only will face greater competition for funds, but also will have to pay interest premiums over the interest charged to more advanced nations, the report said.

But Mr. Wuttke held out the hope that, after 1983, the private sector, along with the IFC, "will be a leading factor" in stimulating economic growth in the Third World. He added that the IFC will continue to try to "convince [borrowing] governments to give out certain activities and let the private sector come in." He cited petroleum exploration as one example.

IFC loans must be made to private-sector companies and be managed by them, must be "economically and commercially viable," and must turn a profit for the IFC, Mr. Wuttke said. In addition, loans must serve "the development objectives" of the host country.

More and more, countries that have been hostile to private investment, including Socialist and

Marxist states, "have learned their lesson, and now ask the private sector to help," he said. He cited especially some countries in Africa that "didn't allow the private sector to do anything" and India, Yugoslavia, and Brazil as examples of where the attitude has changed.

Over the next 12 to 18 months, commercial banks are likely to impose more rigid limits on how much they will lend to each country, Mr. Wuttke said. And where they do lend, the spreads will be rising.

The IFC has a total of \$132 million in 15 Mexican projects ranging from tourism to mining and petrochemical production.

The IFC reported its net income rose in the year ended June 30 to \$21.6 million from \$19.5 million the previous year. IFC activities in fiscal 1982, a year of "lackluster economic growth," increased only modestly — from 56 projects last year to 65 in the most recent year, involving loans of \$612 million.

The total capital cost of the projects was \$2.9 billion.

"We do not rush into investments in order to make big numbers," Mr. Wuttke said. "We have to be careful, because we don't see the world getting out of the present turbulences."

U.S. Carmakers Aim at Affluent Buyers

By John Holusha
New York Times Service

DETROIT — The hoopla of September that once ushered in the new model year here is long gone. Trying to make the best of a market that has stubbornly refused to respond to three years of rebates, new models and advertising blitzes, car makers have stretched the season for introducing new cars to the point where it is now as long as a Detroit winter.

While this September will bring some new offerings, it will be marked more by marketing wrinkles and luxury models rather than breakthroughs, car makers have stretched the season for introducing new cars to the point where it is now as long as a Detroit winter.

One of the few new developments will be the appearance of another domestic auto manufacturer on Nov. 1, when Honda Motor plans to start production of its 1983 four-door Accord models in Marysville, Ohio.

Detroit, deep into its fourth year of depression, had a relatively good August last year, but the latest sales figures are dismal.

Even the fuel economy issue, shown aside by continuing availability of gasoline and stable prices, will not serve as a sales pitch.

Looking to Europe

So Detroit, encouraged by the success of higher-priced European cars such as the BMW, Audi and Volvo, as well as the enthusiastic reception afforded Chrysler's convertible, is emphasizing lower-volume, higher-priced "personal" cars this year.

There will be more convertibles, for one thing. Ford Motor will have a soft-top Mustang available. General Motors is expected to have convertible versions of at least four models, and Chrysler is developing new variants of its "K"-car convertibles.

In addition, higher performance and more lushly appointed variants of plain family cars are due to arrive. GM says its new Pontiac 6000 STE — equipped with a 130-horsepower V-6 engine, stiff suspension, and racing-style bucket seats — will "compete head-to-head with the best import sedans such as the Audi 5000 Turbo, BMW 528i and Saab 900." It will also be in their price class, at about \$15,000.

The reason for the new emphasis on specialty cars, industry experts say, is that the weak national economy has largely driven buyers of basic models out of the new car market. They are either holding on to what they have or buying used cars. The buyers who remain are generally more affluent people unaffected by the recession.

"The market is populated by higher income buyers who don't want to see themselves coming and

MADE IN THE U.S.A.

Honda will begin producing its four-door Accord models at its Marysville, Ohio, plant by late fall.



CONVERTIBLES

Inspired by Chrysler's success, there will be more convertibles this year, for instance, G.M.'s Buick Riviera convertible.



LUXURY

Detroit is after a bigger share of the market for expensive, "personal" cars such as the BMW and Audi. Shown, the Chrysler New Yorker.



have an intentional resemblance to some Audi models.

G.M. is pressing relentlessly with its "I" body compacts and "A" body mid-size cars, despite the fact that sales have not met expectations. For the fall, G.M. has more powerful engines for its "J" cars and styling changes for its economy cars.

Early next year, a completely redesigned Chevrolet Corvette will be introduced, the first major reworking of the popular sports car since 1969 and G.M.'s only new model offering.

"Badge engineering" is a term used to describe the auto industry's practice of putting the name of different divisions on essentially the same car, such as Ford's Escort and Mercury Lynx or the "J"-body cars that are sold by all five of G.M.'s automobile divisions.

This is probably the most important product year for Ford since 1949," said Philip E. Benton Jr., Ford's vice president for sales.

Ford, which has lagged behind GM in introducing new products, will begin to catch up this fall, although its strongest offering will not come until later in the model year.

There will be more convertibles, for one thing. Ford Motor will have a soft-top Mustang available. General Motors is expected to have convertible versions of at least four models, and Chrysler is developing new variants of its "K"-car convertibles.

In addition, higher performance and more lushly appointed variants of plain family cars are due to arrive. GM says its new Pontiac 6000 in

the United States plowed 34.6 percent in mid-August from a year earlier, hitting a 21-year low and prompting Ford Motor and

Chrysler to announce that they are clearing interest rates on some new car loans.

The automakers' action Tuesday reflects that interest rates on auto loans have not begun to decline as have many other rates. The bank prime lending rate has dropped to 13.5 percent in the past two months, but most banks still charge 18 percent on auto loans.

Analysts said it could be two more months before auto-loan rates offered by banks begin to edge down. Ford President Donald E. Petersen said recently that it will probably be six months before the decline in prevailing interest

rates translates into a significant increase in auto sales.

The prolonged slump in new-car sales was continued in the sales figures for August 11-20 reported Tuesday by U.S. manufacturers.

The large year-to-year percentage drop, paced by a 39.5-percent decline at General Motors, partly reflects that August 1981, was the strongest auto sales month of 1981. Domestic car sales in the year-ago period surged to an 8.1-million annual rate, helped by a cut-rate loan offer by GM.

The latest sales results were equivalent to a seasonally adjusted annual rate of 5.1 million domestic cars, about the same as in July, and thus were regarded as a continuation of the industry's slump, rather than a sudden new deterioration.

"There's nothing near-term out

there, that I can see, to cause do-

mand to break out," said Harvey Heinrich, an automobile analyst for Merrill Lynch, Pierce, Fenner & Smith. "But if interest rates stay down, it should start to show up in auto sales in the fourth quarter, in terms of lower rates to the consumer and greater availability of money."

Sales at Ford, despite continuing dealer-incentive programs, declined 19.7 percent from the same period last year; Chrysler's slumped 29.6 percent and Volkswagen of America reported a 49.8-percent falloff. The decline at American Motors, which does not report 10-day sales, was estimated at 37 percent.

The daily selling rate was 14,662 — the lowest since 1961, when the rate was 14,475. In the same period last year, the five companies sold 131,956 cars, at a rate of 22,559 a day.

(Advertisement)

DAI-ICHI KANGYO BANK DKB ECONOMIC REPORT

August 1982: Vol. 11, No. 8

Japan's industrial production continues to lose momentum as exports keep declining

As the economies of the U.S. and other industrialized countries of the West continue in the doldrums, corporate results there are deteriorating, with unemployment and protectionist moves worsening. Japan's exports under the circumstances continue to decline, and in the absence of a strong pull of domestic demand, the shadow of stagnation appears darkening.

SPORTS

NHL Case a Warning to All Sports' Free Swingers

By George Vescsey

New York Times Service

NEW YORK — A jury in Detroit made a decision last week that might make a lot of athletes stop and think before they uncork the next bombshell or throw the next clout.

The jury awarded damages of \$80,000 to Dennis Polonich, for-

merly of the Detroit Red Wings, whose nose was broken by the hockey stick of Wilf Paiement, then of the Colorado Rockies, on Oct. 25, 1978. The decision, in U.S. District Court in Detroit, marks the first civil penalty ever levied against a hockey player for violence on the ice.

The most sobering part of the judgment is that the insurance coverage of the Rockies — now the New Jersey Devils — may provide only \$50,000, and that if the appeals should fail, Paiement could therefore be personally liable for \$30,000.

The message has already struck home to hockey players who will soon be lacing up their skates for another season. Don Lever, the captain of the Devils, says: "We've got to think about it. It will definitely cut down on stick swinging and we don't even know if we'd be covered if we got into a fistfight."

"It's got to affect every sport."

Alan Engleman, executive director of the National Hockey League Players' Association, says teams' insurance policies can exclude from coverage certain conduct that goes beyond the game's aggressiveness. Says Bill Watters, Paiement's agent: "You can't buy personal liability insurance for an athlete. There is not adequate coverage for an athlete. It's going to change the game."



Dennis Polonich

The Rockies, Paiement's employers in 1978, had a policy with the Commercial Union Insurance Co. that provided \$500,000 for each incident leading to injury.

When Polonich sped Paiement, a mediation panel in Michigan's Wayne County recommended a settlement of \$85,000. Polonich agreed to accept, but the insurance company countered with an offer of \$50,000. Bruce Franklin, who represents Commercial Union but also represented Paiement in the trial, says: "The company felt Paiement's version that he was acting in self-defense was valid. And we felt \$85,000 was a lot of money for a broken nose."

The five-woman, one-man jury in Detroit ultimately awarded \$500,000 for "pain and suffering" and \$350,000 more in punitive damages. Polonich compared the award in winning a lottery.

What It Takes

"Polonich only missed about 20 games," Franklin says, "and after that season he signed the best contract of his career. We feel the jury showed a total lack of responsibility, and I'm recommending that we ask the judge to reduce the award."

Brian Smith, the attorney for Polonich, says: "We're quite proud of the decision. Dennis still has to undergo corrective surgery, and he played in pain all that season."

"It will take a decision like this to make the league and the players association do something about violence."

There have been at least two civil cases involving other instances of sports violence in recent years.

Rudy Tomjanovich of the NBA's Houston Rockets won \$3.3 million from the Los Angeles Lakers after the Lakers' Kermit Washington had disfigured Tomjanovich's face in a fight on the basketball court.

And Henry Bouche of the Minnesota North Stars, who needed eye surgery after an on-the-ice fight with Dave Forbes of the Boston Bruins, filed a \$3.5-million suit against Forbes, the Bruins and the NHL. The suit was ultimately settled out of court, and criminal charges against Forbes in Minnesota, where the game had been played, ended in a hung jury.

The judge ruled out any reference to past performances of either player. Polonich averaged 3.2 minutes of penalties per game from 1973 through 1981. He currently plays for a minor league team.

"It's devastating for Wilf," Watters says. "He says they're not going to take money from his family. He's in shock. It's a settlement nobody expected." Paiement has argued that before Polonich was injured, he intentionally struck Paiement with his stick in the follow-through of a slap shot.

The judge ruled out any reference to past performances of either player. Polonich averaged 3.2 minutes of penalties per game from 1973 through 1981. He currently plays for a minor league team.

By the Sword

"Polonich lived by the sword," says the Devils' Lever. "He was one of the worst stick men in the league, a tough little guy, a backstabber. It was probably a split-second reaction by Paiement. But it was definitely a vicious thing."

Says John Tonelli of the Islanders, who made himself an all-star by his willingness to dig in the corners: "It's all right to drop your gloves and fight, but I don't believe in using your stick as a weapon. Maybe it's because I've never been hit high with a stick, but I don't see this decision as having any relation to a lot of players."



Wilf Paiement

The league suspended Paiement for 15 games and fined him \$500 at the time. It has formed a panel to study tougher penalties and should make sure those codes are in force this season. But the league should also clarify the insurance coverage of athletes it expects to go out and play on the border of violence.

"If I were a professional athlete," says lawyer Franklin, "I wouldn't go out and play unless I knew I was completely covered."

Henderson One Steal Short of Brock's Record

New York Times Service

OAKLAND, Calif. — Rickey Henderson stole two bases in the first inning of Oakland's 3-0 victory over Detroit here Tuesday, leaving him one short of Lou Brock's all-time record of 118, set in 1974. But an unsuccessful attempt seven innings later prompted two ejections.

With Wayne Gross at bat in the eighth, Henderson tried for the steal and was called out by umpire Durwood Merrill. Television replays showed Henderson beat the tag by shortstop Alan Trammell, who took a hard throw from catcher Bill Falvey on a pitchout.

It was the 39th time this year that Henderson has been caught stealing, breaking the major league mark of 38 set by Ty Cobb in 1915. At the end of the inning, Oakland Manager Billy Martin and Dwayne Murphy were ejected from the game for continuing the argument on the out call.

"It was very close, but I know I was safe," said Henderson. "Merrill didn't have the right position on it and never saw the tag. I had my hand on the bag when the tag was made on my back."

Almost forgotten were Hender-

son's two earlier steals, which triggered the three-run uprising that opened and closed the scoring. Henderson walked to open the game for the A's. He stole second, and after Gross walked the two, worked a double steal.

Henderson scored the first run on a wild pitch, Gross moving to

BASEBALL ROUNDUP

third. Murphy also walked and then stole second before Tony Armas grounded out, scoring Gross and advancing Murphy to third. Murphy scored on a sacrifice fly by Dan Meyer.

Indians 14, White Sox 7 In Cleveland, Andre Thornton drove in four runs and Mike Hargrave in three more with a pair of doubles to lead the Indians to a 14-7 victory over Chicago.

Twins 5, Yankees 0 In New York, Frank Viola pitched a six-hitter and Tim Lauder's double sparked a two-run seventh that carried Minnesota to a 5-0 shutout of the Yankees.

Orioles 7, Blue Jays 3 In Baltimore, Joe Niekro hit a

grand-slam home run with two out in the 10th off Joey McLaughlin and Dennis Martinez pitched a four-hitter as the Orioles beat Toronto, 7-3. Martinez (12-10) walked one and struck out five.

Royals 5, Rangers 3 In Arlington, Texas, Hal McRae drove in three runs and John Wathan's 31st steal of the year set an all-time record for catchers as Kansas City triumphed, 5-3, over Texas. Larry Gura went six innings to raise his record to 16-8; Dan Quisenberry, pitching the last three innings, picked up his 28th save.

Red Sox 5, Mariners 4 In Seattle, Reid Nichols' second home run of the game, with two out in the 12th, gave Boston a 5-4 squeaker over the Mariners. It was Nichols' second-game winning homer in two nights, both coming off reliever Bill Caudill.

Brewers 7, Angels 3 In Anaheim, Calif., Ted Simmons and Robin Yount each hit homers and Pete Vuckovich registered his 15th victory with a seven-hitter as Milwaukee downed California, 7-3. It was the fifth straight in a row for Vuckovich (15-4).

Red Sox 5, Mariners 4 In Seattle, Reid Nichols' second home run of the game, with two out in the 12th, gave Boston a 5-4 squeaker over the Mariners. It was Nichols' second-game winning homer in two nights, both coming off reliever Bill Caudill.

Twins 5, Yankees 0 In New York, Frank Viola pitched a six-hitter and Tim Lauder's double sparked a two-run seventh that carried Minnesota to a 5-0 shutout of the Yankees.

Orioles 7, Blue Jays 3 In Baltimore, Joe Niekro hit a

Martin: Still Room for a Punch-Out

By Thomas Boswell

Washington Post Service

OAKLAND, Calif. — On Billy Martin's left ring finger was a long wooden splint. "It's broken," he said.

On two other fingers — left pinky and right index — Martin had bandages. "Just sprained," he said.

History says Martin may soon do something so stupid, so sad, in the eyes of those who like him that the A's will have no choice but to fire him, just as he has been sacked five times before.

After two seasons of brilliant and lucky success, which took him to the cover of national magazines and to the playoffs, Martin has watched his team fall apart. Fall to 57-70 and fifth place in the American League's Western Division, to be exact, 16 games behind California.

Just what Martin critics predicted has happened. His overworked pitchers have collapsed, driving the A's earned-run average from second in the league to next-to-last in the majors. Nothing kills Billy Ball faster than bad starting pitching.

"Just a little accident."

Don Quixote tilted windmills. Martin fights rooms. Last Thursday, after his Oakland A's had allowed six unearned runs in a loss, Martin closed his door and went 10 rounds with his office. Martin had his fists. The office had pictures, furniture and walls.

The office won. It was the walls that turned the tide. But after 12 hours, Martin was still sequestered in the room with the oldest adversary of all: himself.

The next day, Martin said, "I'm getting smarter as I get older. I finally punched something that couldn't see me."

Visitors to Martin's office on Friday could find no signs of the battle. Except that every wall had been repainted. "He didn't like the

"Anything but winc," says Eisenhardt.

"You won't let me forget that, will you?" says Martin.

"It's not everybody whose lady orders a \$300 bottle of wine," says Eisenhardt.

"She just has good taste," says Martin of his companion.

"Yes," says Eisenhardt. "But I didn't know she was going to order it for 10 tables. Take Billy Martin to dinner and you get a \$3,000 wine bill." Tolerance is Eisenhardt's trump.

Baseball defies an orderly progression. You can't panic," says Eisenhardt. "You can't measure things at their extremes. You have to accept that it's a game that transcends all our rational attempts to control it. . . . So, as an owner, you shouldn't be lax but you should be strict."

History says Martin may soon do something so stupid, so sad, in the eyes of those who like him that the A's will have no choice but to fire him, just as he has been sacked five times before.

After two seasons of brilliant and lucky success, which took him to the cover of national magazines and to the playoffs, Martin has watched his team fall apart. Fall to 57-70 and fifth place in the American League's Western Division, to be exact, 16 games behind California.

Just what Martin critics predicted has happened. His overworked pitchers have collapsed, driving the A's earned-run average from second in the league to next-to-last in the majors. Nothing kills Billy Ball faster than bad starting pitching.

"Just a little accident."

Don Quixote tilted windmills. Martin fights rooms. Last Thursday, after his Oakland A's had allowed six unearned runs in a loss, Martin closed his door and went 10 rounds with his office. Martin had his fists. The office had pictures, furniture and walls.

The office won. It was the walls that turned the tide. But after 12 hours, Martin was still sequestered in the room with the oldest adversary of all: himself.

The net is Eisenhardt, the president who thinks Martin is too good to lose. When Martin punches the walls, Eisenhardt's there to paint them before the next game. If Martin gets fired, then he's going to have to do all the work himself.

Says one American League owner: "Eisenhardt has seen the other half of Martin this year. . . . Now comes the test of whether they'll be able to coexist."

The former Berkeley law professor and the former Oakland street kid hear these predictions of right-on-schedule doom, but vow that they're wrong. One story illuminates the relationship.

Martin, sitting in his office, asks Eisenhardt if he wants anything to

eat. "You know what [utility man] Dave McKay did before he got fired?" says Martin to Eisenhardt.

"He walked through the dugout with all 10 of his fingers taped up in splints."

Martin starts to laugh, his giggle building as he puts his head on his desk. "Then," gasps Martin, looking at his bandaged hands, "McKay says, 'Hey, skip, wanna go bowling tonight?'

For the second night in a row, Billy Martin has to be his own

self. Kept Shylock, he's a

dear, the Merchant of Venice, and a

comedy, the Merchant of Venice, and a

tragedy, the Merchant of Venice, and a

LETTER FROM MOSCOW

Living in the 'Norm'

By Veronika Minthorn

The Associated Press

MOSCOW — Victor, a 39-year-old mechanic, has been divorced for more than three years, but he is still living in a cramped one-room apartment with his former wife, Tatyana, and their daughter.

His predicament is not uncommon. The Soviet Union has long suffered from a housing shortage caused by the destruction of two world wars, rapid urbanization and decades of neglect of the housing sector.

Victor could move into a dormitory at his factory, but he prefers to remain in the apartment, hoping that he will eventually be allocated one of his own.

Three-quarters of all apartments in the Soviet Union are built by the state and allocated by local authorities or state factories. The rest are built by collective farms and housing cooperatives heavily subsidized by the state. Millions of people still live in dormitories or "communal flats," sharing kitchens and bathrooms with other families.

There is a national construction program that claims to build 5,600 new apartments a day, but many of these apartments exist only on paper. A rare official glimpse of this problem was given in April in a People's Control Committee report published in the Communist Party newspaper Pravda. It said that an apartment block, "long finished on paper," turned out to be uninhabitable: It had no doors or windows, no floors, no sanitary installations and no heating.

Eighty percent of the urban population and "the majority" of rural dwellers have apartments or cottages of their own, officials say.

"It will take at least another eight to nine years to do away with the housing shortage," Gennady Fomin, chairman of the State Committee for Civil Construction, told the English-language Moscow News earlier this month.

But a Western diplomat cast doubt even on that prediction: "They only think of the existing shortage, not of future needs. Every year newlyweds want their own apartments and divorcees want to move out of the family flat."

In 1981, 2.5 million weddings and more than 800,000 divorces were registered in the Soviet Union. Most newlyweds start married life in the already cramped apartments.

ment of one or the other set of parents. Divorced couples, like Victor and Tatyana, may have to live together for years before one of them finds another place.

The shortage is aggravated by poor maintenance and the low quality of repair work. Large-scale renovation is a major problem, judging by continuous newspaper reports of tenants' complaints.

Vechernaya Moskva, the newspaper of the Moscow city Communist Party and the mayor's office, recently reported on a renovation job: "When people moved back into their flats, they found that doors and windows wouldn't close, floors had large cracks and in some apartments electrical cables were hanging out of the walls."

"Not long ago, one tenant, walking down the front stairs, missed his step, fell and was almost run over by a bus. Why? The renovation brigade built the front stairs in such a way that they came right to the curb."

Soviet citizens automatically assume that, if they get a new apartment with bathroom and kitchen, they will have to do all the finishing work themselves and that the shoddy workmanship may make immediate repairs necessary.

The housing law establishes a "living space norm" of 100 square feet (nine square meters) per person, but the norm is often modified or ignored by local housing officials so that there is far less space than that. "It is mistaken to think that every family which has less space [than the norm] will automatically be put on the list of those needing better housing," the newspaper Socialist Industry reported earlier this year.

In Moscow, for example, only families with less than 60 square feet of living space per person will be put on the emergency list, the report said. The law also says that boys and girls over age 9 should not share a room, but this does not apply to families that are "close to the living space norm," the newspaper explained.

The one bright spot is that rents are among the lowest in the industrialized world and have not increased since 1928. Utility charges are also low. For a two-room apartment of 444 square feet, the monthly rent is 6 rubles (about \$10), and charges for heating, hot water, electricity and gas total no more than 3 rubles a month.

Art Buchwald is on vacation.

Reunion in Yoknapatawpha County

Faulkner Conference Is Serious and Silly, but Never Dull

By Gregory Jaynes
New York Times Service

OXFORD, Miss. — They were picking over William Faulkner's life and work again here this month, finding symbolism in ruined Southern mansions and metaphor in the dripping honeysuckle and drooping magnolia, and savoring dog-eared anecdotes as a trencherman savors duck.

More than 80 diehards were on hand for the ninth annual Faulkner and Yoknapatawpha Conference, with its seminars, tours and picnics in the author's hometown. Oxford, seat of Lafayette County, was Jefferson, seat of Yoknapatawpha County, under Faulkner's pen. The Nobel laureate died 20 years ago, a little ahead of integration, a topic that foreigners persist in quizzing Mississippians about.

The conference was at once serious and silly, but never dull. One could hear a Faulknerian say, "Well, I went to the Louvre and I was able to determine what was hanging when Faulkner was in France. We know he saw the Monets and the Manets, and there was some Cézanne, but Picasso is questionable. I think I'm about to change my mind on whether Faulkner was a cubist. Josanne says he was a cubist, and that's a tenable position."

Or one could pop in on a semiannual and hear the French explain a fauna of translation: Some where along the line Faulkner wrote of a character's "innocence" and the French translated that to "virginity," which was certainly not the case. Conference decided it would have been better all around if Faulkner had written what he surely meant, which was "naïveté," but there is no going back now.

Labor-Saving Tree

The author's nephew, Jimmy Faulkner, a look-alike except for his, gave his slide show and talk for the umpteenth time and people who had seen it again and again laughed genuinely at stories they knew as well as their own family lore. For example, the novelist was "the most even-tempered man you ever met — he was mad as hell all the time."

Jimmy Faulkner, who uses a U

in his name, like his uncle, while the rest of the Faulkners do not, introduced his mother, Dolly Faulkner. He told the audience that she had kept a plastic Christmas tree in her parlor year-round for the last nine years to save herself a day's labor once a year trimming a tree and another day's labor taking it down.

Bill Chaze, son of a newspaper editor in Hattiesburg, Miss., and himself a journalist, had another story. Chaze had been digging through Oxford a few weeks earlier for the bizarre and the peculiar that streak through Faulkner's art like the veins of chocolate in a bowl of fudge ripple ice cream. He had looked in on Dolly Faulkner and asked about the tree. She aimed a blackburn at it and snapped it. "Because I like it and because I want it there."

That's the only good reason for doing anything in this world."

Midway through the conference, everyone trooped out to Rowan Oak, the Faulkner estate, for picnic, a look at the light in August and a reminder that the author did not favor air conditioning, of which he once said, "They're trying to do away with weather."

There were also bus tours of the Mississippi Delta and house tours of antebellum decadence.

The University of Mississippi's English department and Center for the Study of Southern Culture

sponsors this annual affair, and charges a flat \$100 for a week, Sunday through Friday, of full Faulkner immersion. The guides are delightful, as in the case of one Hubert McAlexander, who is an authority on his birthplace, Holly Springs, Miss.

"My family settled here in 1836," McAlexander told the tourists. "They've never done a damned thing except tell corny stories."

In his group were two scholars from the Soviet Union who did not seem to appreciate his humor as much as they did the sights. The bus rolled on between hills covered with suniac and kudzu, a vine so fecund that it has eaten much of the South. Walking up broad brick lanes lined with live oaks, determining that the columns of a certain mansion were not Doric but Ionic, Sergei Chakovsky pronounced the building before him "maria grandioso." "They were trying to make everything as big as possible," he said.

Back on the bus, McAlexander explained that, all across the United States, people lie about how old their houses are. He said the tourists would be told that a house was built in 1812, for instance, but in truth nothing was built in the area before 1836. He said that he would correct everything when they were on the bus, but that in the houses everyone should be careful not to offend the owners.

"These old people don't permit questions," he said. "For instance, Whitfield is the insane asylum in Mississippi, and my mother once said of a contemporary of mine that he is both a doctor and a patient down at Whitfield. Somebody said, well, did I ask about that, and I said I wouldn't touch it."

At one point in the tour, McAlexander asked: "Anybody in here kin to anybody in Holly Springs? OK, let me say this: If you want to buy it, you should know this house was redone by a vulgarian. It's no problem, though — just paint over everything she's done."

Lunch was served by Geraldine Gholson in her house in Holly Springs. "You from Moscow?" she asked Alexander Vashchenko, who like Chakovsky, is a fellow at the Gorky Institute of World Literature.

"Yes."

"You ever had grits?"

"No."

"These are grits."

"Interesting."

The second baby fathered by a "Nobel sperm bank" donor has been born. Alton Blake, 40, a psychologist who inseminated herself with sperm from the Repository for Germinal Choice in Escondido, Calif., gave birth to a boy by Cesarean section, a friend said in Los Angeles. Both Blake, who is single, and her son, Doron William, were reported in good condition. The name of the donor, a computer scientist, has not been disclosed. Dr. Sherry Wieder, medical director of the sperm bank, said about six other women are pregnant by donors from the repository, and about two dozen are trying to become pregnant.

Despite protests from human and animal welfare groups, the family of a leading British stock broker, Lord Cromwell, who died in a riding accident last week, has had his three horses destroyed. Lord Cromwell's daughter, Anna Runciman, said the horses, including a 4-year-old gelding her father was riding when he fell during a hunt at his estate in Leicestershire, were "humanely put down." A fellow huntsman, Lord Price, had offered to take the horses and the League Against Cruel Sports wanted to buy them, but Lord Cromwell's widow, Anna, refused. "We believe the colt we took to be the most responsible one," Runciman said. Sir Prokter Burden, former head of Parliament's Animal Welfare Group, said Lady Cromwell's "emotional" decision was legal. "But I do think she might have exercised a bit more restraint."

Ted Jordan, the actor who claims to have Marilyn Monroe's missing diary, has been questioned by district attorney's investigators who determined that he was "not an credible source," according to an official close to the probe. The investigation was prompted by reports that Monroe wrote down state secrets reportedly shared with her by Robert F. Kennedy. The official in Los Angeles said of Jordan: "We don't think he ever had any diary — even if there really is such a book." Jordan, 57, said his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife, Betsy, a close friend of Nancy Reagan, was

awarded \$10,000.

Alfred Bloomington, the millionaire businessman and "friend" of President Reagan, left all his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife, Betsy, a close friend of Nancy Reagan, was

awarded \$10,000.

Alfred Bloomington, the millionaire businessman and "friend" of President Reagan, left all his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife, Betsy, a close friend of Nancy Reagan, was

awarded \$10,000.

Alfred Bloomington, the millionaire businessman and "friend" of President Reagan, left all his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife, Betsy, a close friend of Nancy Reagan, was

awarded \$10,000.

Alfred Bloomington, the millionaire businessman and "friend" of President Reagan, left all his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife, Betsy, a close friend of Nancy Reagan, was

awarded \$10,000.

Alfred Bloomington, the millionaire businessman and "friend" of President Reagan, left all his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife, Betsy, a close friend of Nancy Reagan, was

awarded \$10,000.

Alfred Bloomington, the millionaire businessman and "friend" of President Reagan, left all his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife, Betsy, a close friend of Nancy Reagan, was

awarded \$10,000.

Alfred Bloomington, the millionaire businessman and "friend" of President Reagan, left all his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife, Betsy, a close friend of Nancy Reagan, was

awarded \$10,000.

Alfred Bloomington, the millionaire businessman and "friend" of President Reagan, left all his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife, Betsy, a close friend of Nancy Reagan, was

awarded \$10,000.

Alfred Bloomington, the millionaire businessman and "friend" of President Reagan, left all his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife, Betsy, a close friend of Nancy Reagan, was

awarded \$10,000.

Alfred Bloomington, the millionaire businessman and "friend" of President Reagan, left all his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife, Betsy, a close friend of Nancy Reagan, was

awarded \$10,000.

Alfred Bloomington, the millionaire businessman and "friend" of President Reagan, left all his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife, Betsy, a close friend of Nancy Reagan, was

awarded \$10,000.

Alfred Bloomington, the millionaire businessman and "friend" of President Reagan, left all his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife, Betsy, a close friend of Nancy Reagan, was

awarded \$10,000.

Alfred Bloomington, the millionaire businessman and "friend" of President Reagan, left all his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife, Betsy, a close friend of Nancy Reagan, was

awarded \$10,000.

Alfred Bloomington, the millionaire businessman and "friend" of President Reagan, left all his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife, Betsy, a close friend of Nancy Reagan, was

awarded \$10,000.

Alfred Bloomington, the millionaire businessman and "friend" of President Reagan, left all his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife, Betsy, a close friend of Nancy Reagan, was

awarded \$10,000.

Alfred Bloomington, the millionaire businessman and "friend" of President Reagan, left all his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife, Betsy, a close friend of Nancy Reagan, was

awarded \$10,000.

Alfred Bloomington, the millionaire businessman and "friend" of President Reagan, left all his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife, Betsy, a close friend of Nancy Reagan, was

awarded \$10,000.

Alfred Bloomington, the millionaire businessman and "friend" of President Reagan, left all his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife, Betsy, a close friend of Nancy Reagan, was

awarded \$10,000.

Alfred Bloomington, the millionaire businessman and "friend" of President Reagan, left all his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife, Betsy, a close friend of Nancy Reagan, was

awarded \$10,000.

Alfred Bloomington, the millionaire businessman and "friend" of President Reagan, left all his wealth to his wife and a family trust and nothing to a model who claims he promised to support her for life. Bloomington's will filed in Los Angeles does not specify the size of the estate, but he was believed to have been worth at least \$50 million. His wife